



Election '97

THIS PAPER'S MANIFESTO: HARD FACTS AND STRAIGHT QUESTIONS, WITH NO PARTY AGENDA AND NO STRING-PULLING MOGULS.

Major: 'I think we can win'

PM gets on his soapbox for May election

Anthony Bevis
Political Editor

John Major yesterday opened the 1-May election campaign with an appeal to the voters to accept that it was time for a change, then "we are the change". That plea was later reinforced by a warning that the election was not a game.

But Tony Blair said: "The Tories keep saying to people that this is the best Britain can be. What I say to people is that Britain can be better than this." His party's appeal will undoubtedly be broadened by the latest in a long line of Labour converts - the *Sun*, which claimed after the last election it was the *Sun* "not won it" for Mr Major in 1992, and in today's edition comes out for Mr Blair.

For the Liberal Democrats, Paddy Ashdown welcomed the chance for the voters to say what they thought of the Government's "broken promises, incompetence and divisions".

The start of the six-week election campaign was at long last triggered by the Prime Minister with an impromptu Cabinet, a visit to the Palace, and a return to Downing Street, where he announced to television cameras the election timetable.

Parliament will sit for the rest of this week, clearing an agreed programme of residual legislation before rising on Friday. It will not meet again before being formally dissolved, by proclamation, on 8 April.

Before going out on to the hustings, taking his soapbox from the last election on a flying visit to Luton - a town with two highly marginal Tory seats - Mr Major said that the Government had, since 1979, given the country "a revolution in choice".

He told reporters in Downing Street, that in spite of the "bruises and difficulties" he was proud of his party's 18-year record, before turning to address his biggest weak-spot - the argument that it is time for a change.

"If people are looking for change," Mr Major said, "we are the change, and we'll carry forward what we've been doing for the last 18 years."

Later, in a written statement, he added: "A general election is not some faraway spectator sport or a TV talk-show. It will affect life behind every front door in the land. What was at stake, he warned, were issues "that touch the cold hard realities of 56 million daily lives."

Mr Blair told *Sky News* the voters would remember Tory promises of 1992, while Mr Major promised tax cuts, and then raised taxes; his promise not to extend VAT to fuel, before doing so; and his promise to bring crime under control, with violent crime still rising.

Labour would make a difference on schools, the health service, crime, and jobs. "We aren't just going to have the rewards going to an elite few at the top," he said.

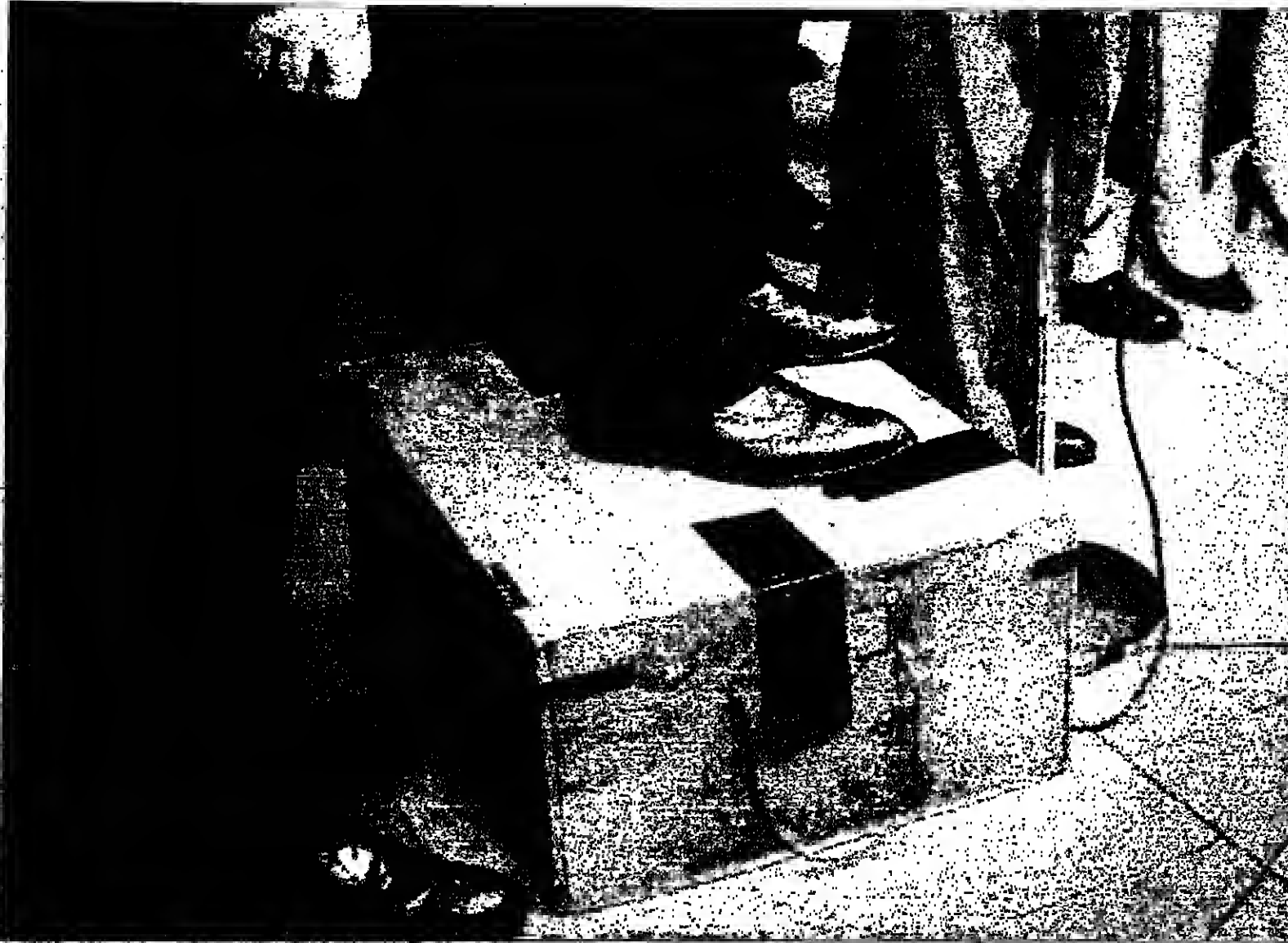
In a London speech last night, Mr Ashdown said: "The last election is remembered for the War of Jennifer's Ear. I want this campaign to be remembered for the Plans for Jennifer's Education... I am determined that, every day of this campaign, we focus on how to make Britain the world's number one learning society in the next century."

All three parties will today hold press conferences, with Kenneth Clarke, Chancellor of the Exchequer, Mr Blair and Mr Ashdown, each putting forward their themes of the day.

But the Prime Minister's first public acceptance of Labour's challenge for a televised leadership debate last night getting bogged down in the detailed conditions of Mr Major's terms of engagement.

He said in Downing Street: "I very much wish to meet Mr Blair in debate. But he then delivered a series of qualifications that left Labour, the Liberal Democrats and other minority parties significantly dissatisfied."

Explaining why he did not think that he should have to face both Mr Blair and Mr Ashdown, the Conservative leader said:



Making a stand: John Major kicks off his election campaign on a flying visit to Luton, which has two marginal Tory seats. Photograph: Peter Macdiarmid

chair the debate, Labour said they would prefer a number of prominent media "heavyweights" to be given the chance of grilling the leaders, and putting them and their policies under the microscope.

In Downing Street, Mr Major said: "I believe this election is winnable. Not only do I think it's winnable, but I think that we are going to win this election."

I remember being asked that on the doorstep of Downing Street in 1992 and I am still here in 1997 and I expect to be here after the election."

But even as Mr Major was speaking, Mr Blair was visiting a South London school before embarking on a visit to Gloucester - a Tory marginal Labour needs to win if it is to get a working Commons majority.

And as for the Tory preference for one anchor-man to

After the election, either Mr Blair or I will be Prime Minister. I have some sympathy for Mr Ashdown's position. I am sure the broadcasters might find some way to involve him, but I think the principal debate will be between the leader of the Labour Party and myself."

A senior Labour source said last night that it was "silly" of broadcasters to respond to that by trying to find ways around the law, trying to accommodate Mr Major's demand for the exclusion of Mr Ashdown.

The source also said the public should not be shut out of the debate: a selected audience should be given the opportunity to put their questions to the party leaders.

And as for the Tory preference for one anchor-man to

There is, he said, a problem with the status quo. "Young people are under the impression that this establishment has been the same for hundreds of years and nothing will ever change. I myself think the only way anything will change is revolution. The existing trend towards large environmental problems will probably cause that. If it doesn't, we'll go out quietly."

He has no respect for any of today's politicians. "They don't have any more foresight than wondering what is going to be the most popular policies and appealing to the lowest common denominator," he said.

He would, however, be happy to vote for better policies "if anyone came up with any," regardless of the cost to his own pocket.

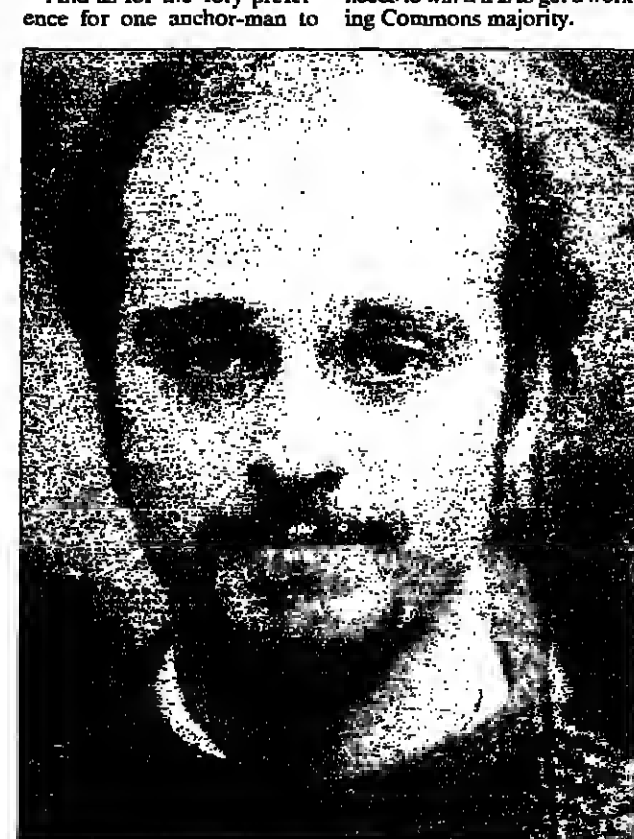
He liked the idea of participating in a pre-election television debate. "Oh yes," he said, his eyes lighting up. "I'd ask them questions about the environment, human rights and

about how to take the system down, back to its foundations, and back again in a more successful manner."

But to Mr Smart's mind, there is no point in him voting. Labour, he said, is going to win anyway. "I don't think it would change anything. I don't think

it would make any difference - except that Croydon is a marginal constituency."

He is not really fussed about the result. "I'll hopefully be leaving the country and buying a remote island in the South Pacific as soon as possible, so I won't mind either way."



Polit position: Pascal Smart

Photograph: Philip Meech

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A historic choice that faces us all

Cynicism is cheap. It's important to remember, through the next sound-bitten, media-manipulated six weeks, that this election offers Britain a serious, potentially historic, choice. The result will imprint itself on our lives for years to come. It will affect our individual wealth and opportunities; how we are governed; how we feel about the country.

Yet many millions of us don't agree and have lost interest, never mind faith, in British democracy. In the final years of a turbulent century, which saw the arrival of the full franchise, and the declared victory of democracy across most of the world, a worrying number of Britons have become bored by the whole business. Some 9.6m adults didn't bother to vote in 1992. This time, many voters have concluded that the country has already made up its mind and won't bother to inquire further.

Yet if the pollsters are vindicated and Tony Blair's New Labour wins on 1 May, then our political system will alter, probably quite fast and probably forever. From Scotland to London, from Cardiff to Strasbourg, from town halls to the House of Lords, we will see the biggest programme of change to the governance of Britain since before the First World War.

Many of these changes will be preceded by referendums. If Mr Blair relies on the Liberal Democrats in government, they will come faster and more strongly than ever. Some excitable souls think they will mean a radical change in the whole party system, giving us a new politics for the millennium. But whatever view you take, it is hardly unimportant.

What, meanwhile, if John Major confounds received opinion, as he has before and, teetering on his soapbox, wins a fifth Conservative term in the teeth of all expectation? That too would mean a changed po-

litical system, suggesting the destruction of the Labour Party and the confirmation of one-party government in Britain. It would keep us out of monetary union and ensure a glacial freeze in our relations with continental Union-builders.

These are, without hyperbole, questions of national destiny. But they are only the start. The Tories promise dramatic changes to the Welfare State and pensions, as well as law and order; their domestic programme requires close and detailed scrutiny. Labour has sketched out ambitious-seeming plans for education, employment, youth crime and much else; but "sketched" and "seeming" are the appropriate words. Those goods need a little more scrutiny before the nation buys them.

So there are great issues to be argued over, even if many other issues have been elbowed off the national agenda. Despite everything, our votes remain precious. They should depend on careful thought, narrowed eyes and clear, hard information. That is what we will be bringing you in *The Independent* during the next few weeks - not, I hope, at tedious or sprawling length, but in proper detail and with a due sense of the election's importance and possible consequences.

Our views, as a pro-reform, liberal and open-minded newspaper, biased in favour of enlightenment, have been hammered out by arguing journalists and heckling readers during 10 years. Other papers will be ordered what to say and do, as their proprietors dither between their political convictions and their thirst to be on the winning side. But this paper has full freedom to speak, and no such pressure. This is a great privilege, particularly at election time. We will use it seriously and with relish.

Andrew Marr

'I'll not vote for any of them - it won't change a thing'

Clare Garner

Persuading Pascal Smart, a probable three million like him to vote on 1 May will be one of the biggest challenges facing John Major and Tony Blair during the campaign.

The 24-year-old aspiring musician from Croydon will be following the election campaign closely, but only from a position of "amused superiority". He has no intention of voting. Research suggests that only 40 per cent of the under-25s will vote.

Nothing short of the closure of all nuclear power stations would make Mr Smart change his mind. "I just don't think any of the main parties handle any of the things that are important - especially for young people in this country," Mr Smart said en route to his evening job as a £120-a-week barman. "I'd put the environment higher on the agenda, the decriminalisation of cannabis and the general treatment of youth."

"Young people are basically being disenfranchised. We're being paid a slave wage so that the Government can make more money out of us. If Labour get in, which they probably will, they will just be running the same system in a slightly different way, which doesn't really solve anything, because it's the system which is the problem."

Mr Smart voted for "the lesser of two evils" (Labour) at the last election. This time he does not feel he can even do that. "I don't personally trust Tony Blair, mainly because of the fact that he is so insistent that we can trust him. Essentially, all the Labour Party can say is that the Tory party can't lead the country and they can, but they don't say in what way."

"Take the environment, for example. The Tory party policy is to build more roads and the Labour Party policy is to say: 'That's wrong. It's just a slanging match.'"

There is, he said, a problem with the status quo. "Young people are under the impression that this establishment has been the same for hundreds of years and nothing will ever change. I myself think the only way anything will change is revolution. The existing trend towards large environmental problems will probably cause that. If it doesn't, we'll go out quietly."

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news

significant shorts

Warrington bomber granted referral to Court of Appeal

A 51-year-old man serving 10 years for his alleged part in the IRA bombing of Warrington gas works has had his case referred to the Court of Appeal.

John Kinsella, who has always protested his innocence was told yesterday that Michael Howard, the Home Secretary, had been given new evidence that could cast doubt on his conviction.

He was sentenced in 1994 for his part in the destruction of the gas works. No one was killed in the huge fire ball that followed the blast, but a policeman was shot – and survived – during the IRA cell's subsequent getaway.

Kinsella, whose wife Audrey and two children live in Nottingham, was convicted of handling explosives with intent to endanger life, but he always insisted he was duped. He buried a bag containing Semtex and firearms but he has always maintained he believed it contained only stolen silver.

His solicitor Mike McColgan said: "It's brilliant news. John will be delighted."

Steve Boggan

Cathedral wins £2m lottery grant

Canterbury Cathedral received the biggest grant in a National Lottery Heritage Fund payout today, a £2.5m award for a new education centre.

It is the first major development within the ancient cathedral grounds and church authorities claim it will boost the two million people who already visit the city each year.

The grant matches cash raised by cathedral authorities to begin the first phase of a £2.5m development in the precincts of the historic site aimed at children and young people.

Designed by architect Sir William Whitfield, the complex includes a 250-seat auditorium, two state-of-the-art audio visual theatres and conference and exhibition facilities.

Police chief's bugging challenge



The former Merseyside Assistant Chief Constable Alison Halford was in court in Strassbourg yesterday to hear the last round in her legal battle which could force changes in Britain's phone-tapping laws. Miss Halford, once the highest-ranking female police officer in the country, claims her phones at work and at home were illegally bugged to try to discredit her – because she complained of sex discrimination in the force.

Miss Halford's lawyers asked the Human Rights judges to rule that the phone taps were a breach of her right to privacy and freedom of expression, safeguarded by the Human Rights Convention, to which Britain is a signatory.

A final judgment is expected later this year.

RUC inquiry into pub shoot-out

An investigation has been launched into claims that security forces in Northern Ireland killed a pub with bullets during a bungled surveillance operation.

Three men dressed in combat gear and balaclavas allegedly fired on bar staff at the Derryhirk Inn, near Lurgan, Co Armagh, on Friday night. Police say they opened fire while investigating suspicious activity.

The Independent Commission for Police Complaints was yesterday brought in to investigate the incident, an RUC spokesman confirmed.

Bar owner Patsy Mulholland said the men, later identified by the RUC as members of the security forces, chased his staff across the car park and burst into the crowded bar, threatening to shoot.

Swampy defies runway tunnel ban

The A30 bypass protestor "Swampy" returned to the site of the proposed second runway at Manchester airport last night in apparent defiance of bail conditions set yesterday.

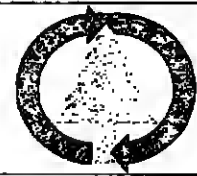
Swampy, whose real name is Daniel Hooper, was arrested by Wiltshire police on Sunday night after joining a protest against the building of a £170m runway. It is understood that part of the fence near the protesters' camp was damaged.

A spokesman for the coalition against Runway 2 said Hooper, 23, from Hazelton, in Buckinghamshire, had gone inside one of the tunnels the activists had dug to prevent work on the runway. "He has gone back because he feels that his bail conditions are unfair and he is quite prepared to be rearrested."

Hooper is due to appear before Macclesfield magistrates on 18 April.

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people



Tired of attention: Barbara and Boris Becker are looking for the quiet life in Florida

Embittered Becker buys a one-way ticket to America

Far from maddening German crowds, hyperactive taxmen and racial prejudice, Boris Becker fled to Florida yesterday with a one-way ticket, vowing never to return for anything other than tennis. His Helmut will henceforth be a millionaires' hideaway near Miami, where he hopes his coloured son, Noah, will not attract attention, and the family will have the privacy they could only dream about in Bavaria.

The 29-year-old tennis star made his decision to emigrate after a raid by tax inspectors, which the Beckers claimed was akin to burglary, on his Munich house earlier this year. "Until then my house was my castle," he said. "They took away my home."

After the case of Steffi Graf's missing taxes, the authorities declared open season on all German stars suspected of salting away their foreign earnings in overseas havens. Becker denies any wrong-doing, and says he is not prepared to go through the agony of dealing with German tax-hounds for the rest of his life.

The tennis player has also become increasingly exasperated with the attention his family was receiving

from stalkers, autograph-hunters and the plainly insane. The last of a fading galaxy of German stars still resident in the country, he felt he was getting more than his fair share of fame. The adoration was overwhelming, but often it took a sinister form. "Threatening letters, some motivated by racist attitudes towards his black wife, Barbara, forced him to hire an army of bodyguards for his family."

Becker was particularly worried about Noah, now aged three, who he feared would have trouble blending into an all-white German environment. "My son will now grow up as a normal child – without bodyguards," he said. "In Germany that isn't possible."

Noah can certainly look forward to a multi-cultural environment, although one with limited social diversity. Home will henceforth be Fisher Island, a tiny strip of land inhabited by 400 millionaires and their servants.

Anonymity is guaranteed. With neighbours like Sophia Loren, Arnold Schwarzenegger and Luciano Pavarotti, he can count on being left alone.

Imre Karacs, Bonn

Accent on Noddy in transatlantic adventure

Herd on the heels of reports that Winnie the Pooh is to get a Glaswegian accent in a new version of the children's books, comes news that Noddy and The Famous Five are to be turned into Americans.

Trocadero, the entertainment group that bought the rights to Enid Blyton's fictional characters last year for £15m, has unveiled plans to send the little boy with the bell on his hat to the US for the first time. Big Ears goes with him, but there is no chance of the Golliwogs making the trip.

Over 40 episodes of Noddy, made for the BBC in the early Nineties, are to be re-scripted for an American audience and over-dubbed with an American actor's voice.

"Inevitably some of the emphasis and language will change," said David Lane, managing director of the Enid Blyton company. "We translate Noddy into German so it would be arrogant to think he doesn't need translating into American-English."

Trocadero and BBC Worldwide, which holds the broadcast rights to the Noddy stories, have signed a deal with America's Public



Broadcasting Service, to broadcast the new shows from next year. It will be the first foray into the US for any Blyton characters, although the books have sold hundreds of millions of copies in the rest of the world.

The Golliwogs, who have attracted accusations of racism because of their unsavoury character, never appeared in the Nineties versions of the series and so there is no need to be written out for the American market.

As well as Noddy, Trocadero is rewriting the Famous Five books for Americans. "I doubt that they will continue to say 'golly gosh'," said Mr Lane. "It's more likely to be 'gee whizz'."

Paul McCann

Sax player begins Marchioness' fight

A brilliant musician on the brink of major success suffered a nervous breakdown and turned to alcohol after surviving the Marchioness disaster, the High Court heard yesterday. Josephine Wells, 37, wept as she described how the accident in which 51 people died ended her burgeoning career as a saxophonist, which included work with leading pop bands like Tears for Fears and The Communards.

Ms Wells, of Salford, Greater Manchester, had beaten 10,000 other young musicians to win a scholarship to the Royal College of Music, London, with her then instrument, the clarinet. But she left her studies to launch the pop career which would have earned her an estimated £40,000 a year if it had continued, the court heard.

She is claiming damages from the owners of the Marchioness and the gravel barge which hit it, the Bow Belle. They have accepted liability in civil law.

Musicians, including former teachers from the Royal College of Music, and Pete Townsend of The Who – with whom she once recorded – are supporting Ms Wells. Mr Townsend is expected to give evidence today.

Louise Jury

briefing

LAW

New corruption offence aimed at public servants

Bribe-taking public employees and councillors could be among those ensnared by a proposed law designed to combat corruption. The new offence, set out in a consultation paper from the Law Commission, would cover corrupt transactions involving a range of individuals who could be described as agents for, or owing a duty to, other individuals.

An example could be a public servant, responsible for awarding council contracts, who accepted a bribe in return for favouring a particular contractor. A local councillor who arranged for an applicant to be granted planning permission in return for a bribe would also be caught by the new offence. Judges and police officers would also be subject to the law.

TRAINING

Jobless build their own future

A pioneering training scheme has succeeded in getting two thirds of long-term unemployed into work while saving local people thousands on their fuel bills, according to a report by the Joseph Rowntree Foundation.

Pilot schemes run by the Wise Group, in Scotland, Derby and the London borough of Newham provide those who have been out of work for at least a year with paid work experience in installing insulation, energy-efficient heating and home security systems.

Two-thirds of the trainees taken on each year went on to find work after leaving the scheme, of which the majority were permanent. Six out of 10 gained NVQ qualifications while taking part. For all but the first eight weeks, trainees are paid wages of £116 a week, taking them out of the benefit system.

The cost of each job created is an estimated £14,100 – but this falls to £8,300 when tax payments and benefit savings are taken into account.

Bridging the Jobs Gap: £9.95 plus £1.50 p.p.p., York Publishing Services, 64 Halford Road, York YO3 7XQ. Glenda Cooper

SOCIETY

Champagne days return to UK

The British have rediscovered their taste for champagne, according to figures published yesterday. More than 20 million bottles of bubbly were imported last year, a volume not seen since the 1980s.

The 18.4 per cent increase on 1995, compared to a worldwide rise in imports of 2.6 per cent, re-established the UK as the number one champagne buyer in the world, knocking Germany off the top spot, according to the Champagne Information Bureau.

Drinkers are also said to be spending more on each bottle, buying Prestige Cuvée and Vintage champagnes. Worldwide shipments total 256 million bottles.



SCHOOLS

Boys losing out in sex education

Schools need to take boys' sex education more seriously, the Sex Education Forum said yesterday. The traditional male way of learning about sex during giggles behind the bike sheds can be dangerous because boys may be scared to show their ignorance, according to the forum's research.

Discussion in groups also limits opportunities for talking about feelings. Boys experience a high level of peer pressure to lose their virginity early and "many young men learn about sex through pornography".

The forum says schools should consider teaching boys separately for at least some sex education lessons and should consult them about what they want to know. They should also try to ensure that male teachers are involved in some teaching.

Supporting Sex and Relationships Education for Boys and Young Men, Sex Education Forum, National Children's Bureau, 8 Wakeley St, London EC1V 7QE. Send SAE. Judith Judd

HEALTH

Screening key to cancer success

Screening for bowel disease could lead to earlier diagnosis and treatment of inflammatory bowel disease (IBD), in particular Crohn's Disease and ulcerative colitis, says a report being presented to the British Society of Gastroenterology today.

Despite improved treatment, at least 300 people die a year in England and Wales from these conditions. In a study, carried out at the Royal Free Hospital School of Medicine, doctors discovered that out of 971 people who died of IBD during 1993-1995, 44 per cent had Crohn's Disease and 56 per cent had ulcerative colitis.

Almost one in five of those who died were under 50. Yet screening for these conditions is simple and cheap. The British Society of Gastroenterology recommends early intervention by family doctors. Its guidelines say: "GPs should not delay in testing for blood in faecal samples to diagnose IBD and cancers as early as possible, particularly in patients with a family history of digestive disorders."

Inflammatory Bowel Disease, Guidelines in Gastroenterology, free, from the British Society of Gastroenterology, 3 St Andrews Place, London NW1 4LB. Annabel Feniman

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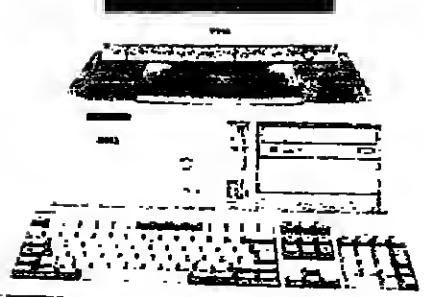
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South-east house prices 'at boiling point'

Ian Burrell

Generous bonuses paid to workers in the City are contributing to a north-south gulf in the housing market, with property prices in the South-east said to be at "boiling point". A survey of the housing market carried out by the Royal Institution of Chartered Surveyors found buyers in the South-east were responding "with abandon" to shortages in supply.

As a consequence, 82 per cent of chartered surveyors in the South-east reported that house prices had increased over the three months to the end of February.

The demand for property in the South-east has brought down the average time for a house sale to 11 weeks, compared to 13 weeks nationally.

Estate agents say they have too few properties to offer, with the average number of

dwellings per agent down to 42, a 10-per-cent fall on this time last year. One agent in Ashted, Surrey, said the property shortage was the worst he had known in 30 years. Chartered surveyors in the North reported far less activity. Only a quarter said prices had increased in the three-month period.

Ian Perry, RICS housing spokesman, said the upward trend of prices in the South-east would spread north but was held

up by the caution being exercised by northern buyers.

"Parts of the Midlands and North are not seeing the same demand or activity but eventually the current resurgence will become more uniform," he said. Country houses and three-bedroom houses are in great demand in all parts of the country but flats and bungalows are still the most difficult properties to sell.

RICS said the re-emergence

of large bonuses in the City, on a scale not seen since the 1980s, was inflating prices in the South-east. Tony Copping Joyce, a central London estate agent, said: "The economy from my point of view is a fizzing and buzzing City, and it is generating an awful lot of cash."

"There are a lot of people who, during five years of stagnation, have been waiting to go out and buy. There is great pressure on property."

Prices in fashionable London districts, such as Islington and Camden, and in sought-after suburbs, such as Twickenham and Tooting, are rising faster than in poorer areas, like Walthamstow and Leytonstone.

Copping Joyce, the RICS southern area housing spokesman, said the north-south divide extended as far as Birmingham but did not include the South-west, where prices are not rising.

Some northern estate agents said the picture was more complicated than the one painted by the RICS. They said the divide was between London and the provinces rather than the North and the South.

Others agreed that northern buyers were being far more parsimonious than their southern counterparts.

Helen Smelt-Webb, of Lewthwaite Barclay estate agents, near York, said: "Cer-

tainly we have not had any price rises and people are striking hard bargains."

"People are much more prepared to walk away rather than get into a 'best-and-final-offer' situation with other buyers. They are saying 'We are not going to be pushed up.'"

She added: "People in the North lost less money in the 1988 boom. They have no reason to be any more cautious than the southerners."

Accused of child abuse. But was his baby a victim of brittle bone disease?

Annabel Ferriman

Martin Smith was convinced that if you were innocent of child abuse, you had nothing to worry about. That was until last June, when his illusions were shattered. His two-month-old baby suffered a broken leg and he and his wife were charged with grievous bodily harm.

Mr Smith (not his real name) now believes that his baby was a victim of "temporary brittle bone disease", a condition which is causing controversy in the medical world.

Mr Smith's son, Tom, now 11 months old, was born seven weeks premature. At only eight weeks old, his mother noticed he was in pain and took him to the GP who suggested an X-ray. That revealed he had a broken leg, and further tests showed seven broken ribs and a broken collar bone, injuries that doctors estimated had occurred about four weeks earlier.

Since then, Tom's parents have maintained their innocence and waged a ceaseless campaign to get their child back. They have several factors on their side. They have been allowed to keep their other two children at home; the police have dropped the criminal charges and the baby has been allowed to stay with his aunt, rather than going into care. But he is still under a child protection order.

The Smiths have always believed that Tom must have some sort of medical condition, arising either out of his prematurity or from his mother's medical history - she had Hodgkin's Disease before he was born.

"Now they have found an expert, who has another explanation. Dr Colin Paterson, a senior lecturer in medicine at Dundee University, who has examined the baby claims that he is suffering from a condition, which he has dubbed "temporary brittle bone disease". He believes that this is a variant of the well-recognised bone disease, osteogenesis imperfecta (OI), which is an inherited disorder of the connective tissue.

Dr Paterson, who has studied brittle bone disease for more than 20 years, recently published a study of 39 children whom he thought suffered from this temporary form of the disease. They had all suffered fractures in the first year of life, the fractures were found by accident when an X-ray was taken, and in many cases, the children had no signs of bruising.

"It is a very distinctive syndrome, the symptoms of which mimic the symptoms of non-accidental injury. It has often been misdiagnosed as child abuse. It is more common among twins and premature babies," he said.

Dr Paterson, who has ap-



Shattered illusions: The family caught up in the brittle bones controversy

Photograph: Andrew Haddon

peared in court cases and has been responsible for re-uniting a number of children with their parents, wants to see the syndrome (which he thinks may be caused by an enzyme deficiency) recognised by paediatricians and radiologists.

The problem is that Dr Paterson is one of the few doctors in the UK who thinks that the condition exists. The vast majority of paediatricians do not believe that there is a temporary version of brittle bone disease.

A conference, being held in Edinburgh on Friday by the Royal College of Radiologists, will address the issue of how to diagnose non-accidental injury. Dr Christine Hall, consultant

paediatric radiologist at the Great Ormond Street children's hospital in London and co-author of an article in this month's *Paediatric Radiology*, which disputes the existence of the temporary condition, admits that care needs to be taken in distinguishing between brittle bone disease and child abuse.

She says there are four types of OI - three of which are easy to diagnose. The first, which is relatively mild, is characterised by the child having blue sclerae (whites of the eyes), the second is invariably fatal and the third is identifiable by the child's badly deformed bones.

There is only one type that is occasionally difficult to distin-

guish from non-accidental injury - that is known as Type 4A. But this is exceptionally rare. "One paediatrician has calculated that in his city of Sheffield, doctors can expect to see a case about once every 100-300 years," Dr Hall said.

"The hypothetical condition [temporary brittle bone disease] bears a striking similarity to many cases of non-accidental injury. I would suggest that they are the same condition but with different labels depending on the credibility of the child

care taker's explanation. "I know of one case, where Dr Paterson's theory was accepted, the baby was taken off the 'at risk' register and returned home, and subsequently died," she added.

Dr Paterson, however, re-

mains convinced. The problem for the accused parents is that they do not know where to turn. Tom's grandfather said: "There should really be a self-help group to turn to. We do not understand the system and feel completely alone."

Shortlisted writers get orange light for big prize

David Lister
Arts News Editor

Some of the top female novelists are to have extracts of their work put on the Internet, it was announced at the London International Book Fair yesterday, as publishers bowed to new (ish) technology.

The organisers of the £30,000 Orange Fiction Prize for the best novel written by a woman announced they would be the first literary award to establish a Net presence. Extracts from all the shortlisted books will be put on the Net and people around the world will be invited to review them, with a prize of a holiday for two for the best review.

Prize organiser Kate Mosse said: "A lot of people say they find book reviews in the papers luvvyish and they feel left out of it. We want to know what real people think of the books, what a 16-year-old in India thinks of some of the works by writers of Indian origin on the list."

The long list of 20 books announced at the book fair yesterday includes expected choices such as Margaret Atwood, for her novel *Alias Grace*. Beryl Bainbridge, who missed out on both the Booker and Whitbread, with *Every Man For Himself* and Jeanette Winterson with *Gut Symmetries*.

The list also includes unknowns from small publishers, such as Leone Ross with *All The Blood Is Red*, published by Angela Royal Publishing.

The judges, who will note the reviews from around the world, but will make the final decision themselves, brought in eight of the 20 books themselves, as publishers had not thought them likely to win and had not entered them for the prize.



Beryl Bainbridge: Contender for the Orange prize

The judging panel will be chaired by the writer and broadcaster Lisa Jardine.

Defending the women-only nature of the prize, Ms Mosse said it had brought a number of female authors to the notice of the public. One of last year's shortlist, Pagan Kennedy, had only had 400 copies of her novel *Spiristers* printed at first. After the prize, it sold 8,000. Sales of last year's winner, Helen Dunmore, were tiny. She has quadrupled them following the publicity of the prize and it is now selling in America for the first time.

The prize is set to earn more esteem with the further announcement yesterday of the Orange Prize for fiction edu-

cation project, funded with £30,000 from the Association for Business Sponsorship of the Arts. This will send resource materials into 3,500 schools to encourage 11-14 year-olds to read more widely.

The prize is open to women of any age, living anywhere in the world, writing in English. Ms Mosse says the concept of a women-only prize is now accepted and people feel embarrassed to criticise it. However, the Booker Prize winner AS Byatt has spoken out against it, saying female writers should not be "ghettoised".

The women novelists put on the Net will be jostling for cyberspace with many other writers of fiction and non-fiction, to

judge by the obsession with new media at the book fair yesterday. Talks for publishers and booksellers included "Selling Books On The Internet" and "Trends in the Multimedia Market." Mark Ride, head of a consultancy providing specialist assistance for publishers on the impact of new technology, said: "A growing number of publishers are testing the Internet as a marketing tool, and finding something which may at first appear to be counter-intuitive. Forging part, or all, of the text of books on the Web appears universally to increase sales of the printed product."

"A growing proportion of middle managers in publishing companies are regular users of the Internet. However, almost all report that the Chief Executive never uses the Net, has probably only seen the Web in presentations and really has no idea what the fuss is about. If the future of publishing is on networks, this is analogous to never going into a bookshop."


But the book fair is also maintaining its traditional role as a meeting place for literary agents, negotiating deals with publishers.

A large area on the top floor at Olympia was designed the International Rights Centre - 250 tables set aside for agents and publisher wheeler-dealing.

On the main floor, the 550 exhibitors displayed technologies new and old. At one stand, Ian Botham signed copies of a new book, *Sporting Memories*, which was printed for customers immediately by Rank Xerox using digital technology. At another stand, a soon-to-be-published book called *Sophie's Kiss* was being touted - the first biography of Sophie Rhys Jones, the girlfriend of Prince Edward.

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ELECTION COUNTDOWN

Labour leader goes straight to the target

Fran Abrams
Political Correspondent

Labour's election bandwagon made its first stop yesterday in the party's most crucial campaign target - the Gloucester seat which the party must win if Tony Blair is to become prime minister. The seat is 46th on Labour's target list and it must be won if the party is to have an overall Commons majority.

The party's immediate response to yesterday's announcement was low key, and Mr Blair spent the morning visiting a primary school in Southwark, south London, before leaving for a question and answer session with floating voters.

With Labour's main aim being to avoid damaging its 20-point poll lead over the coming weeks, the sight of Mr Blair dabbling in a soapbox must have been one to warm the hearts of the spin doctors. That over, he headed for the station en route for Gloucester where, accompanied by his wife Cherie, he met 20 voters in the Jarvis Hotel and Country Club.

The portents, however, were not good. The hotel boasts a Sebastian Coe health club, named after the Tory MP for Falmouth and Camborne, and next door's dry-ski slope prompted: "All downhill from here then," quips from the assembled press.

His audience, chosen through telephone polling, was receptive and pliant, though two of them admitted to being party members. Mr Blair told them he planned several more such shirt-sleeved encounters over the coming weeks.

"One of the things we want to do is to go out and talk to people. Not presidential-style, glitz and glamour but really talking to people. We don't have all the answers by any means but we think we offer a better future for the country," he said.

He told them that the campaign would be the longest since 1918, but added that he was relishing the prospect. "For me it already feels as if we have been having a campaign for months and months and months. What I feel is the Government haven't really been governing this country for quite a long time," he said.

But Mr Blair added that the campaign could be a dirty one. "The next election will be a battle between hope and fear. People will be saying Labour is going to do this to you and do that to you. We have got to settle and reassure people."

The Labour Party would govern the country as it has run its own affairs in the past few years, he said, adding: "We are running for office as New Labour and we are going to govern as New Labour. There is no going back."

Most of Mr Blair's audience appeared impressed. One or two said they had already been out canvassing for the party. Graham Pepperell, who had not yet made up his mind but was "leaning towards Labour", said he would be more likely now to vote for Jess Kingham, the party's Gloucester candidate.

"Mr Blair came across as quite sincere, but he's like a lot of politicians, they are quick to renege. But he's a young man and if he wants to establish a long career in politics he will try to deliver the goods," he said.

Mr Blair's train journey had been somewhat less elevating, though. Commuters on the 3.18pm sprinter from Swindon had bemusement writ large on their faces as the Blair entourage boarded. At Paddington one woman passenger had nudged her neighbour: "Look there's Tony Blair. He's the next Prime Minister."

"Who did you say he was?" came the reply.



Ready for the challenge: Tony Blair standing outside his home in Islington, north London, yesterday after learning that the Prime Minister had finally announced the date of the general election
Photograph: Edward Sykes

Major's soap box gets its first outing in campaign

Colin Brown
Chief Political Correspondent

John Major returned to the soap box yesterday to launch his general election fight-back in a near high-street riot.

The Prime Minister's visit to Luton - the scene of his soap box revival in the 1992 campaign - showed that he has lost none of the street-fighting spirit.

Surrounded by a phalanx of policemen, Mr Major said he was taking his message over the heads of the commentators to the people to win five more years. But surrounded by a hostile crowd largely made up of chanting students from the Luton University, he was heckled with shouts of "you'll be on the dole, John".

An empty drinks can was thrown at the scrum, with the Prime Minister in the centre, careering along the high street crushing all in front of it.

The soap box was waiting for him in St George's Square, five years almost to the week after it helped to rescue a lack-lustre campaign. The street-fighting boy from Brixton appeared to be delighted with the prospect of mixing slogans with the protesters. Tory spin doctors were also pleased they made the perfect backdrop for the tea time news.

Pointing to a bedraggled bunch of students with a pink banner demanding higher grants, Mr Major said: "There they are - the left wing of the Labour Party shouting their mindless slogans."

The small box, made of plywood and held together with black tape, standing one foot high, is Mr Major's last hope of victory and will be in evidence across Britain for the next six weeks.

"It is like a mascot. It's a symbol of his style of campaigning - the man amongst the people. That is the way he wants it," said a Tory aide.

After a hitch with a microphone Mr Major told his audi-

ence: "The last time I came to Luton, we had a reception like this - three weeks later we won both Luton seats and the general election."

But after ten minutes of the Prime Minister's rhetoric, explaining the virtues of the British economy, some of the crowd filtered away complaining: "I wish he'd stop wittering."

As a first outing, it showed that the Prime Minister does not intend to give up without a fight, even though it failed to impress young first-time voters such as Andrew Wilkes, 19, a student who described the spectacle as "a waste of time".

Tory Central Office promised he would "hit the ground running" but some shoppers thought they were witnessing a robbery. "I saw the helicopter and thought I would come and have a look. The last time I saw a helicopter someone had broken into my neighbour's," said one bemused shopper.

The evidence on the street suggests there are more 'don't knows' than the polls reveal. Barbara Adjei, 20, a public administration student, said: "I am still undecided. I am waiting for that TV debate. That is going to make a big difference." Clair Sheeran, 22, said: "A lot of students were out today and they are all Labour but I hope he gets back rather than Labour."

Two housewives, Kim Upton and Hazel Dickman, are voting Labour. "Not because I feel so strongly for Labour but because I feel so against the Tories. I don't like John Major as a leader. He is not strong enough. And it's time for a change," said Ms Upton.

Before retreating to the safety of his official Daimler, Mr Major told the crowd: "I have not a shred of doubt that the Conservatives will have five more years."

He was the only one to Luton yesterday not to show any doubts but it may be enough to carry him through the next six weeks.

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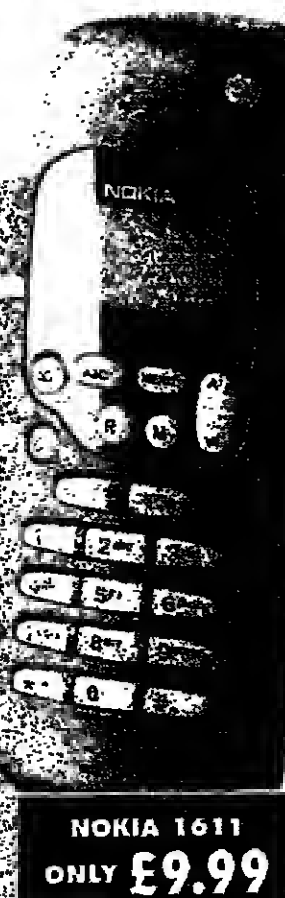
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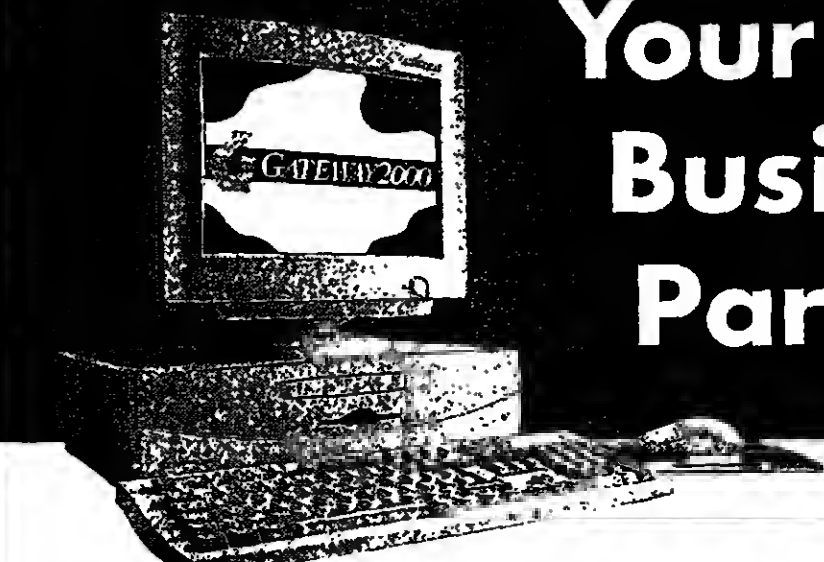
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ELECTION COUNTDOWN

We are all standing in the dark of Downing Street. At one end we can see the sunshiny illuminating the statues along Whitehall; at the other it warns the suited backs of civil servants strolling amongst the weeping willows and cherry blossoms. We alone are in deep shade.

Britain's political corps is there. The photographers dressed for survival in the wild, poised precariously on their aluminium ladders; the camera crews and sound engineers, with their tripods, and rainbow coloured spaghetti of trailing cables; the mobile phones relaying the latest rumour back to newsdesks throughout London.

Already up and broadcasting in far corners of Downing St are several serious young women, speaking continuously to regional news

programmes and Andorran radio. And there's a jolly chap with a proper body from the waist up but below whose belt-line dangles a horrid mass of tangled wires, connecting him umbilically with a camera and sound system.

This is Adam Boulton, the substantial political editor from Sky Television, much of whose life is spent broadcasting live in front of the camera. One wonders whether Boulton himself forgets whether he's on air or not. Does he occasionally answer routine domestic queries about the shopping or lunch with a judicious pause and a balanced judgement? Or will he one day take a televised leak ("we're just waiting for a strong flow. And here it is, and everybody here feels very relieved")?

DAVID Aaronovitch

They also serve who only stand and wait

There's movement and Cabinet members arrive, filing in through the black door, all looking about half their real size. Each one is asked the same two questions: "Are you going to win?" And then (after the obligatory thumbs up or

nod): "Why?" Why? What are they supposed to answer? How about: "Because you cannot fool all of the people all of the time, but under first past the post you only need 42 per cent?" We wait. Then the Cabinet all come

out again, and the PM is into his car and off, lickety-split to kiss hands at the palace and ask for a dissolution. The ITN helicopter flies overhead, marking the Prime Minister's passage to the palace, and ruining other journalists' attempts to contact their offices.

The Prime Minister's Press Secretary, Jonathan Haslam, walks amongst us, and a gaggle collects around him with the rapidity and determination of a Moscow crowd told that someone is selling sausage. A line of wistful pundits – led by ITN's pear-shaped political editor, Michael Brunsen – is mouthing away to their various midday audiences. In the middle stands the beautiful blonde gamine from BBC World Service, like a miniature Snow White amongst the Gigantic Dwarves. And whoops, Jonathan Haslam has begun an

off-the-record briefing with Adam Boulton – who is still live on camera.

The PM sweeps back into Number Ten, a microphone is set up in the middle of the street, and a cute gaggle of Tarquins and Helenas – bussed in from Central Office to stand down one end looking decorative – take up position like bridesmaids at an important but tedious wedding.

Finally Mr Major, looking exactly like himself, emerges and announces that there'll be an election on 1 May, answers some hard questions like "Will you win the general election?" and "Why?", then goes back inside to get ready for his trip up to Luton.

The Tarquins and the journalists drift off. It has been one of those historic events that the people who witnessed it, will probably never, ever remember.

Lib-Dems no bar to TV poll debate

Rob Brown
Media Editor

The biggest obstacle to a live televised debate between John Major and Tony Blair – the threat of a lawsuit from the Liberal Democrats – looks certain to be overcome.

It appears there are at least two ways round what the Labour leader terms "the problem of Paddy". The option most acceptable to the Lib Dems would be to have their leader debate with his Labour and Con-

required to get a separate crack at Mr Major. "I can't believe there's not a way round the Paddy problem," he said. Later, the Labour deputy leader, John Prescott, said his party had been calling for the televised debate for some time and they "didn't mind at all" if the Liberal Democrats were included. But he told BBC Radio 4's *World at One* programme that it was important that there was audience participation.

Mr Ashdown said he would welcome the opportunity of taking part in a televised debate. "It is absolutely vital people get to hear the different options on offer," he said. More colourfully, the Lib Dems' campaign chairman, Lord Holme, said that granting Mr Ashdown only a "walk on part" would be like an edition of *Blind Date* in which two of the participants got to talk to the girl and the third only got to talk to Cilla Black.

conservative counterparts before they go head-to-head against each other. But, if an agreement cannot be reached on a series of three debates, it is not entirely inconceivable that the BBC will steam ahead and simply stage a Major-Blair duel.

Mr Major endeavoured to display his belief in fairness yesterday when, announcing the date of the election on the steps of Downing Street, he stated: "I have some sympathy for Mr Ashdown's position. I am sure the broadcasters may find some way to involve him."

The Prime Minister swiftly added that he thought the principal clash should be between him and Mr Blair and that "a responsible, long debate dealing in detail... will enhance the democratic process, not damage it."

The Labour leader said he was prepared to go head-to-head with his Liberal Democrats counterpart if this were

The Liberal Democrats have been threatening to mount a legal challenge against the broadcasters if they don't stage a three-way debate or series of debates involving their leader. They would have a strong case against ITV, which has a statutory duty to be impartial under the terms of the Broadcasting Act of 1990.

But the BBC is not shackled to the same extent. It is governed only by a series of agreements in its charter which are open to challenge and are not set down in law.

Geoffrey Robertson QC, an expert on media law, said yesterday that the BBC had to decide if it would be in the public interest to hold a Major-Blair debate, and how it would ensure fairness. In his opinion, this might be achieved by letting the other party leaders comment, perhaps 30 minutes afterwards.



Higher vision: Baroness Thatcher holding a press conference – three hours after the Prime Minister's – outside her offices in Belgravia yesterday, in which she warned against Labour cunning, backed John Major and exhorted the voters to 'stick with us' Photograph: Kalpesh Lathiga

Fighting talk from Thatcher's doorstep

Christian Wolmar
Westminster Correspondent

Baroness Thatcher took just three hours to follow John Major's example and hold her own doorstep press conference in an effort to quash any suggestion that she might do an Enoch Powell and recommend voting Labour. Standing on the steps in front of her office in Belgravia, central London, she clearly wanted to distance herself from her recently reported remarks that Tony Blair would not let Britain down. She stressed that new Labour

was little different from old Labour, saying "the phrase 'new Labour' is cunningly designed to conceal a lot of old socialism. Don't be taken in".

Looking rather distracted, perhaps by the 12-starred European flag flying on the German embassy opposite, she responded to questions about her reported remarks on Mr Blair by saying: "I do not expect to see Prime Minister Blair."

Then, confusingly, she added: "Mr Blair is different from Prime Minister Blair" but she noticeably did not deny having made the original sup-

portive remarks of the Labour leader. When, as she was walking back inside, it was suggested to her by *The Independent* that Tony Blair was "a good chap", she stopped, turned round and, eyes ablaze with all the old fire and finger pointing, she said: "I hope you think Thatcher's a good woman, otherwise why have you come in such numbers?"

She had clearly been briefed by Conservative Central Office, because earlier she had given out the line which was yesterday's launch theme for the campaign: "I hear people saying 'Time for a change'. That's absurd. If you have got a good builder or, dare I say it, a good grocer or a good government, you don't change. You stick with them, and I hope you'll stick with us."

She was clearly trying to be helpful to John Major in saying "I am fighting for Prime Minister Major and I am fighting with every effort I can bring forth."

But again, her remarks became rather Delphic when she added that voters should "Stay with us until we cross the finishing line."

Where or when was this finishing line? On 1 May or long into the next millennium? And did it mean that afterwards, people no longer had to stick with the Tories? She was not in a mood for explanation and felt that the three minutes she had given was plenty.

Perhaps she is holding back for a string of appearances. Lady Thatcher's doorstep performance may be the first of many during the next six weeks. She boasted that she had received 51 invitations to speak and that more were coming in all the time. But she did not say whether she had accepted any.

Politicians argue but voters have made up their minds

The lengthy election campaign may influence only a small minority of voters, with many people already decided on which party to support, according to *The Independent's* selected group of disaffected Conservative voters.

Yesterday as the Iron Lady's successor John Major finally announced the election date, most of the group claimed to have made up their minds; and crucially for New Labour's hopes a number are switching their support to Tony Blair.

Lionel Baird, 52, a paramedic, described himself as an



"unhappy Conservative and an apprehensive Labourite."

He is grateful for much that he has been able to achieve in 18 years of Conservative rule – including owning his own home – but for the first time is switching his vote to Labour.

"I'm not 100 per cent sure and I feel apprehensive, but I think I will give new Labour a go. It's time for a change," he

Michael Streeter revisits *The Independent's* panel of Redditch constituents who voted Tory in the Eighties but who must switch to Blair if Labour is to win

said. "I have discussed this with my wife and we both came to a similar conclusion."

This government is looking a bit long in the tooth and John Major has not come up to expectations as a leader.

Adrian Bick, 30, a self-employed bricklayer, has made up his mind to support new Labour, claiming the Conservatives are no longer trustworthy. The key issues for him are the

state of the National Health Service and the education system, and he believes Labour may do better than the Conservatives on the economy.

"I would not mind paying a bit extra tax as long as the NHS and schools were better," he said. "I'll definitely be voting Labour."

Another switcher is Roger Frost, a former British Gas travel manager who echoes

many in the group by believing the campaign will have little impact.

"I think most people will not change their minds now. I'm 99.9 per cent sure I will vote Labour this time – it's simply time we had a change."

He will listen to the arguments, he says, without expecting to be persuaded, and believes the likely United States-style television debate will be

too staged to influence people.

Mr Frost says that contrary to Tory hopes people do not believe the economy is benefiting them. "When I talk to people I know, they say the economy is not that different from before as far as I am concerned."

Those in the group likely to stay with the Conservatives seem equally to have made up their minds before the campaign kicks off. Susan Lovett, 38, a for-

mer sales consultant, says she will "almost definitely" vote Conservative again as she does not trust Labour, though she is looking forward to hearing the arguments and the television debate. "I'm not sure if it will influence me, but it will be quite funny. I think John Major will do well and that may influence anyone sitting on the fence to vote Conservative. At the moment most people do want a change."

David Bignall, 51, is a 'disgraced' Conservative, but says in the end he will vote Tory again, citing the economy.

"The economy is doing well, inflation is low and unemployment is coming down. I just do not trust the other side enough."

"When it comes to the crunch and I have to make the decision, I think my heart will still be with the Conservatives."

The views are echoed by Brian Nicholls, a butcher, who said: "The economy is stable – at the moment. I'm concerned about what might happen to inflation under Labour."

□ *The Independent* will be returning to the group during the election campaign to see if and how its members' views change.



"This is Adam Boulton bringing you the election announcement live and it's Mayday, Mayday..."

SKY news

Our election pledge: you won't miss a thing

ELECTION COUNTDOWN



Coming out: Some of the big names from the world of business, sport, entertainment and religion who have joined the growing list of well-known personalities pledging their support for John Major or Tony Blair. Photomontage: Jonathan Anstee

Movers and shakers line up to support main parties

Adrian Harland

Business leaders, big names in sport and entertainment, and then there was Baroness Thatcher. The list of those coming out for Tony Blair seems endless.

Even if Lady Thatcher yesterday rowed back on her apparent support for the Labour leader, the Blair endorsement list remains impressive. By contrast, John Major's support among movers and shakers looks well shaky.

Whether this reluctance openly to support the Conservative Party is due to the intimidating 20-point plus poll advantage, the prospect of a

resounding electoral defeat, or the trend noticed by pollsters in the 1992 election – a tendency by Tory voters to conceal their allegiance – is open to question.

Among the few personalities who have come out for the Tories have been Earl Attlee, grandson of the former Labour prime minister, Clement Attlee, who crossed the floor in protest at Labour's plan to abolish the hereditary peerage.

The chief executive of Nissan, Ian Gibson, showed his preference when he argued that Labour's support for the Social Chapter could damage the competitiveness of British companies. Geri, of the Spice Girls, has also

indicated her backing for Mr Major, in spite of the ideological rift this could precipitate within the hugely successful Spice Girls. Mel C has said that she will vote Labour.

Other than Lady Fairbairn, who has promised to move permanently to Mexico if Mr Blair moves into Downing Street, and various international contributors, few other personalities have signalled their support for the Tories.

Most of the 150 people who attended a recent fundraising event for the party, are well-known for their political preference. The boxer Frank Bruno, the former England cricket captain, Michael Atherton,

and football stars David Platt, Michael Ball and David Seaman were among the sporting personalities who have indicated they will be voting Conservative on 1 May.

Other Tory supporters at the function included Baroness (PD) James, Lorraine Chase, Sir Cliff Richard, Barbara Windsor, Carol Vorderman and Fiona Fullerton.

Mr Blair, on the other hand, has received the nod from a significantly larger and arguably more influential list of backers.

In the business sector: Granada Group chairman, Gerry Robinson, Reed Employment Agency founder, Alec Reed, Sun Life chairman, Lord

Douro, and WH Smith chairman, Jeremy Hardie, were among many key business leaders who have said they approve of the Social Chapter and will be voting Labour in seven weeks.

From the entertainment world, Lord Attenborough, Bianca Jagger, Richard Wilson, Sinead Cusack and ex-EastEnders stars Michelle Collins and Michael Cashman have announced their support for Mr Blair. Stephen Fry said at a Labour Party fundraising function earlier this year: "I hope Labour wins – but we will not be counting our chickens. I will be voting Labour."

A variety of other personalities, from all walks of life, have agreed to

stand up in public as Labour people. They include two religious leaders, the Chief Rabbi, Dr Jonathan Sacks, and the next Bishop of Worcester, Peter Selby, the disc jockey Paul McGann and the restaurateur Sir Terence Conran. "If you are rich and selfish you vote Tory," Brian Moore, the former rugby union star, said earlier this year.

Coming out for Major: Earl Attlee, grandson of the former Labour PM, Clement Attlee; Ian Gibson, chief executive, Nissan; Frank Bruno, former boxer; Lord Lloyd-Webber, composer; Baroness (PD) James, the writer; Spice Girl, Geri;

David Seaman, goalkeeper; Michael Atherton, cricketer; Barbara Windsor, actress; Robert Powell, actor; Carol Vorderman, presenter. Backing Blair: Gerry Robinson, Granada Group chairman; Jeremy Hardie, chairman of WH Smith; Dr Jonathan Sacks, Chief Rabbi; Mel C, of the Spice Girls; Sir Terence Conran, restaurateur; Lord Attenborough, film director; Michael Cashman, actor; Richard Wilson, actor; Alan Shearer, football player; Stephen Fry, actor and writer.

Howard and Straw agree deal to push through Bills on crime

Anthony Bevins and Jason Bennett

A wide range of crime legislation, including measures for tougher sentencing, and action against stalkers, and sex offenders, is expected to be passed before the general election after a deal was agreed between Labour and the Home Office yesterday.

The Home Secretary's flagship Crime Bill, which appeared to be blocked after a House of Lords amendment blocked it, now looks likely to be passed.

Labour has agreed to "fast track" 17 Bills on law and order providing a Commons vote on the Crime (Sentences) Bill amendment is allowed later this week. The amendment will give judges greater discretion in sentencing, in "exceptional circumstances".

The compromise was agreed after a meeting between Michael Howard, the Home Secretary, and Jack Straw,

the shadow Home Secretary.

However, senior Labour sources said last night that government proposals for an extension of grant-maintained schools, and an increase of school selection of pupils would be an early victim of the long election campaign.

Both proposals, included in the Education Bill, would have to be jettisoned if the remainder of the legislation was to be given high-speed approval, and agreed enactment, by the time

the House of Commons rises at the end of this week.

Following the Prime Minister's Downing Street announcement that the Commons would meet for the last time next Friday, the parliamentary "usual channels" – the behind-the-scenes business managers who include the Leader of the House, Tony Newton, and his Labour counterpart, Ann Taylor, and representatives of the whips' offices – embarked on intensive negotiations on the

terms of agreement for salvaging part of the Government's legislative programme.

Sir David Steel, the former Liberal Leader, warned the House that there were 28 Bills left in the pipeline.

In the House of Lords, the day's report-stage debate on the Education Bill began with a statement from Lord Strathclyde, the Government Chief Whip in the upper House, that although the proceedings on the Bill would continue, it was pro-

posed that the rest of the week's business must be "adjusted".

The big tussle between the parties last night was over the fate of the Crime (Sentences) Bill, although the Home Office has a dozen others caught up in the rush to the statute book.

Labour feared that Mr Howard was preparing to use its opposition to key sections of the legislation to attack its alleged weakness on law and order. Mr Straw offered help to get the legislation through four weeks

ago, promising an "open door" if Mr Howard agreed amendments clarifying the wording of the Bill, but he said the offer had been "pectulantly" rejected.

There are also a number of backbench Private Member's Bills, covering the sale of drugs in clubs and alcohol and young people, but the Knives Bill, introducing new curbs on the sale and advertising of combat knives, cleared Parliament under its own steam last night.

The Lords gave the backbench legislation, which has cross-party support, a third reading without a vote and it now awaits Royal Assent.

Secured through the Commons by Labour's James Wray, MP for Provan, and through the Lords by the former Metropolitan Police commander Baroness Hilton of Egeardon, the legislation was initially opposed as unworkable by Mr Howard, but was eventually accepted under the weight of public pressure for action.

Countdown to a new Parliament

- 19 March: February unemployment figures announced.
- 20 March: February inflation figures.
- Prime Minister's last question time of this Parliament.
- 21 March: Parliament prorogues, effectively rising for the Easter break. Mr's will be paid through to formal dissolution of Parliament more than two weeks later.
- 31 March: Easter Monday.
- Manifestos expected to be published this week.
- 3 April: Parliament dissolved; proclamation and issue of writs for the election – starting the election clock.
- 14 April: Noon deadline for normal absent-voting applications. Candidate nominations open.
- 16 April: March unemployment figures and government borrowing figures. Last day for candidate nominations.
- 17 April: March inflation figures released.
- 23 April: Noon deadline for receipt of late absent-voting applications, on health grounds.
- 1 May: General election.
- 7 May: New Parliament meets for swearing-in of MPs and election of Speaker.
- 14 May: State opening of Parliament, with Queen's Speech programme of newly elected Government.

Sir James's effusive acolytes off to an affluent start

Tony Heath

If enthusiasm won votes, the clutch of Referendum Party prospective candidates who gathered in Ludlow, Shropshire, yesterday could at least count on saving their deposits. Whether any will be elected on 1 May is more debatable.

The 15 hopefuls met in surroundings that would please Sir James Goldsmith, their bene-

factor. The 17th-century Feathers Hotel is a place of affluence, with a four-poster room costing £95. In the Prince Charles suite, the party organiser, Gareth Davies, told his troops: "If Sir James hadn't set up the party, I would. The difference is that in that case you probably wouldn't have heard of it."

Mr Davies is dedicated: "I've put my business – I develop and market board-games – on hold

to work full-time for the party." His most successful game, Spreadbet, offers a gamble as tricky as one undertaken by Clive Easton, the party's banner-carrier in Hereford.

An airline pilot, he is on unpaid leave. "I can't put my hand on my heart and forecast what will happen. But I've resigned from the Conservative Party because I'm disgusted at their European policy," he said.

Hereford is held by Colin Shephard for the Tories with a 3,413 majority.

Liz Phillips was there, blazing enthusiasm in her burgundy sweater, in her burlesque legend: "Let the people decide." A caterer, she is contesting Brecon and Radnorshire, where the three big parties are slugging it out. The incumbent Tory, Jonathan Evans, has a majority of 130. Ms Phillips says Tory

defectors outnumber Labour and Liberal Democrat switchers. "I'm in there to win. I've never belonged to a political party and although I voted Conservative and Liberal in the past, the parties are all selling Britain short over Europe," she said.

Anthony Parkin, white-haired and urbane, is one of the party's most intriguing characters. He worked for the BBC for

37 years producing agricultural programmes and editing *The Archers*, a story of country folk not unlike people in the Leominster constituency where his target is the Tory arch-Euro enthusiast Sir Peter Temple-Morris, who sits on a 16,680 majority. Mr Parkin was cautiously optimistic: "Naturally, we aim for success. The only question of importance is to save Britain's sovereignty."

significant shorts

Anti-gun advert shown

Anti-gun lobbyists, who are calling on all voters to consider the banning of handguns as an election issue, yesterday launched a cinema advertisement to highlight their campaign.

The commercial, which will be shown in up to 1,000 cinemas nationwide, opens with a man loading the barrel of a .22 calibre handgun. A voice-over from former 007 James Bond actor Sean Connery says: "It is said a total ban on handguns, including .22s, would take away innocent pleasure from thousands of people." The man in the film fires a rapid succession of shots, devastating a human-shaped cardboard target. Connery says: "Is that more or less pleasure than watching your child grow up?" The film closes with the words: "Remember Dunblane. Ban all handguns."

Ann Pearson, spokeswoman for the Snowdrop campaign, defended the decision to use Connery, a star accused of glamorising violence in films, saying: "We don't regard this as hypocritical... Last year Sean Connery was quoted as saying that he would only take part in future films involving guns when there was a balance and moral image shown."

Lord Chancellor to retire

The Lord Chancellor, Lord Mackay of Clashfern, has said he will retire after the election. Lord Mackay wrote to the Prime Minister last week informing him of his decision. Yesterday, John Major wrote back expressing his sadness at the news but saying that he fully understood Lord Mackay's reasons.

Lord Mackay said in his letter that he had himself promoted an Act of Parliament requiring judges to retire at 70. He wrote: "I will myself reach that age in July, and I think it right that I should hide by that rule. I have therefore decided I should retire from the Lord Chancellorship after the next general election." In his response, Mr Major said: "You have served with enormous skill, patience and dignity as Lord Chancellor for almost 10 years – the longest continuous service of a Lord Chancellor this century."

Scargill stands against Howarth

The miners' leader Arthur Scargill has announced that he will stand as Socialist Labour Party candidate in Newport East in protest at the selection on Sunday of Alan Howarth as Labour candidate.

Mr Scargill was said to be appalled at the choice of Mr Howarth, who crossed the floor to join Labour on the eve of the 1995 Conservative Party conference. "The constituency is being offered the choice of a Tory and an ex-Tory fighting on Tory policies. It's a disgrace," David Prosser, the SLP's Welsh secretary claimed.

Tony Heath

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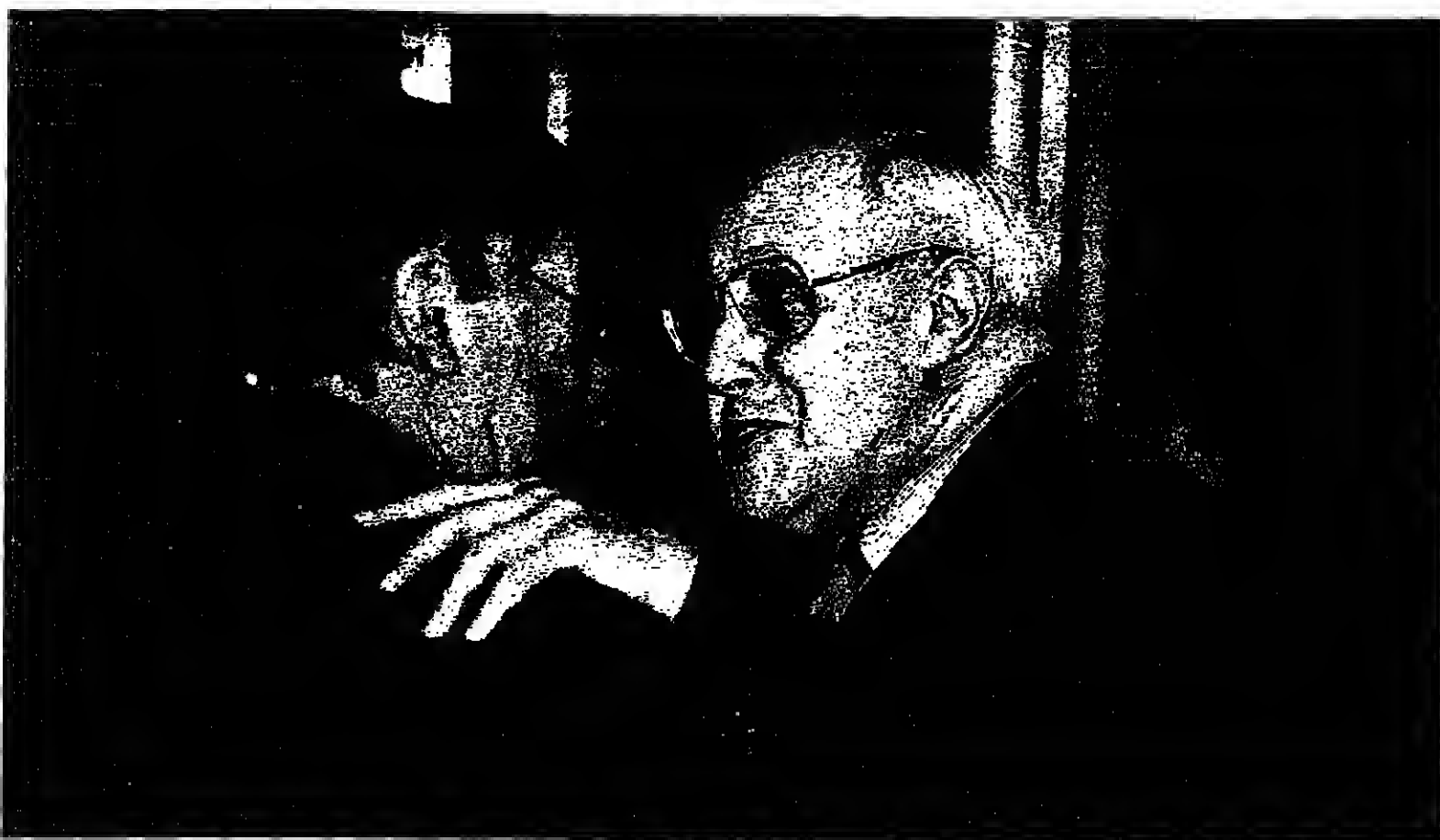
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news



Historic occasion: The Russian cellist Mstislav Rostropovich greeting a guest at his 70th birthday party in London yesterday. In 1997, its centenary year, EMI has issued a set of 13 compact discs, *Rostropovich: The Russian years 1950-1974*, remastered from digital audio tapes. Photograph: Gerald Lewis

Rise in violence overshadows fall in crime

Jason Bennetto
Crime Correspondent

A small drop in the number of recorded crimes committed last year was overshadowed yesterday by the disclosure that violent offences rose by 11 per cent in the same period. The increase of 33,400 violent crimes to 344,300 was the highest rise for seven years. The Home Office's annual statistics also revealed that the offences that involved wounding or other acts that endangered life increased by 16.5 per cent, and sex crimes, including rape, continued to rise in frequency. Michael Howard, the Home Secretary, seized on the reduction in the total number offences

by 1.3 per cent to about five million, with notable drops in property and car crime, as evidence that his policies were working. It was the fourth consecutive annual drop – the first time this has happened since 1990.

But Labour claimed that the rise in violent crime and the near-doubling in the offences total since the Tories came to power in 1979 proved that the Conservative party's law and order initiatives have failed. The 1996 Notifiable Offences for England and Wales, published yesterday, revealed a mix bag of achievement for the country's police forces.

Most worrying was the growing number of violent acts. Although this category only makes up seven per cent of the total number of crimes – nine out of ten offences are against property – they have a huge impact on the victims.

Offences against the person, such as mugging, increased by 26,500 to about 240,000, and more serious offences went up 17 per cent to 22,400. The number of sexual offences increased by three per cent. This included a 15 per cent increase in the number of female rapes, which has continued to go up by an average of 10 per cent for the past decade, to 5,700. Male rapes rose by 50 per cent to 227. Fraud and robbery also saw small increases.

On the positive side, the police have continued their success in driving down the number of vehicle crimes – a two per cent drop – and burglary, which saw a six per cent decline.

There were big regional dif-

ferences in crime fighting. Northumbria recorded a 13 per cent annual fall – its fifth in a row – while Durham, Cheshire, North Yorkshire, and Dorset all had about a 10 per cent decline.

The Metropolitan Police was the only urban force to record more crime in 1996 than in 1995, up three per cent to 840,000. Sussex and Norfolk both saw seven per cent increase in all reported crime, while Bedfordshire and Gwent recorded a 78 per cent rise in violent crime.

All the figures are an under-estimation because many crimes are not reported or recorded. Michael Howard argued that some of the increase in violent crime was due to more people reporting offences.

He added: "We believe that these figures indicate a real success story. They bear testimony to the steadfast efforts of the police, to the work of those involved in community initiatives to fight crime, and to the success of our policies to tackle crime and protect the public."

But Jack Straw, the shadow Home Secretary, said: "The modest reduction in overall crime has to be seen against a mountainous increase in crime and disorder since the Conservatives took office."

The police welcome the drop in total crimes but Fred Broughton, chairman of the Police Federation, said: "I am very concerned by the increase in reported robberies and violence against the person. These are the crimes that worry the public most of all."

More teenagers hooked on heroin

Jason Bennetto

Growing numbers of teenagers are turning to heroin, according to police statistics released yesterday which show that the number of seizures of the drug rose by 41 per cent last year.

Boys and girls aged 12 and 13 are turning to prostitution to feed their heroin addiction, one police chief said.

The warnings came as Customs and Excise announced that the total amount of drugs seized in 1996 had increased by more than 60 per cent over the previous year to a record 80 tonnes – worth about £500m.

Joint police and customs figures, published yesterday, also revealed a record rise in the amount of cannabis seized, sharp increases in the amount of amphetamines recovered and a continuing upward trend in cocaine, but a surprise drop in ecstasy.

Heroin, however, was identified as the drug causing the most concern. The police in England and Wales made 7,880 seizures last year and while the amount recovered by Customs officers was down on the record

total of 1995 they still believe the long-term trend is up. Drug agencies estimate that only 10 per cent of the heroin that comes into Britain is intercepted en route.

Keith Hellawell, Chief Constable of West Yorkshire and drugs spokesman for the Association of Chief Police Officers, said: "The worrying trend is the use of heroin on the street. The cost in some cities is the same as cannabis. More younger people are becoming addicted to heroin and committing crime to feed their habits. Young females are having to prostitute themselves to feed their habit."

"We now tragically see it's relatively common for 12 and 13-year-old prostitutes on the street, which also allows paedophiles to prey on them."

He added that the heroin addicts were now using stolen electrical goods to barter directly with drug dealers. "A television or video will buy four or five wraps of heroin," he said.

Seizures of cannabis by customs rose by 46 per cent to 76 tonnes, making it by far the most popular drug, although police action dropped slightly.

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Gummer says no to deep-level atomic lab

Nicholas Schoon
Environment Correspondent

Britain's nuclear-waste disposal plans were thrown into confusion last night after John Gummer, the Secretary of State for the Environment, rejected plans for an underground test laboratory near Sellafield which would have paved the way for a subterranean radioactive dump on the same site.

His surprise decision, the first time the industry has lost a major public-planning battle, delighted environmental groups and local protesters in Cumbria. But it also put a question mark over the policy of building a £2.5bn, 3,000 feet deep system of caverns for nuclear waste.

Nirex, the waste-disposal company owned by the nation's nuclear industry, has spent more than £400m, and many years, working up plans for the laboratory to study disposal of intermediate-level nuclear waste at Gosforth in Cumbria. Now it may have to spend years gathering more scientific data to prove the safety of its plans, while redrawing plans to reduce the impact the laboratory would have on the Lake District National Park.

Alternatively, it will have to start planning a laboratory and dump at another site and encounter fresh opposition. Its second choice is at another nuclear site, Dounreay in Caithness, Scotland. But the company also has a secret list of 12 other sites where the rocks may be suitable for a deep-level dump.

For more than 20 years successive governments and the nuclear industry have been trying to find a publicly acceptable way of disposing of intermediate-level radioactive wastes, which remain highly dangerous for tens of thousands of years. A volume of intermediate-level waste equivalent in size to a block of flats has built up from Britain's nuclear power and defence and is stored on the surface, mostly at BNFL's Sellafield site. Five times as much again will arise over the next half century.

Mr Gummer's decision follows a lengthy public inquiry which ended a year ago. Yesterday, Nirex said: "We're obviously very disappointed."

Friends of the Earth hailed "an historic victory" and said it wanted plans for an underground dump to be dropped for several decades, with the waste stored and monitored on the surface while technology develops. Michael Meacher, Labour's environmental protection spokesman, said the policy of deep-level disposal still "seems to make sense". But Mr Gummer's rejection of the laboratory was inevitable, he added, following the revelation in a leaked memo that Nirex was itself divided on whether it had gathered enough scientific data to show how water would flow through the rocks around the laboratory and the subsequent dump. "It's a very serious setback towards a long-term solution," he said.

Nirex's planning application was refused by Cumbria County Council and opposed by other local councils, triggering the planning inquiry. The laboratory was also opposed by the Irish government, which said it would take international court action if Nirex was allowed to go ahead. Martin Forwood, of the campaign group Cumbrians Opposed to a Nuclear Environment, said: "My advice to other local residents facing this problem in the future would be: 'Fight them every inch of the way.'" Dick Wright, of the Gosforth Action Group, added that Nirex should "pack their bags and walk away from Sellafield".

Trendy young things show off wacky designs

Nicole Veash

After witnessing the arch-glamour displayed by haute couture's established designers in the past few weeks, fashion hunters are advised to visit Alternative Fashion Week, where the top designers of tomorrow are showing their collections.

Trendy old Spitalfields Market, in the East End of London, is the venue for the 'wacky, decadent and sometimes wearable creations. Now in its fifth year, show organisers claim to be free of the pretensions surrounding the fashion business.

Liz Weston, of Alternative Arts, the show's organiser, said: "Anyone can come to see the collections. Not only is it free, but people are not pressured into buying anything. They can just enjoy what is on offer. There is no mystique about fashion shows."

Some of the designers are still at college, but most have launched their own labels, wanting to remain independent of the mainstream.

Often art forms in themselves, the alternative fashions can be looked upon as theatrical costumes. But for those wanting to pick up some relatively cheap, but delicately-stitched creations, there are a few clothes which are wearable.

"A lot of our designs tend to indicate trends later seen by main stream designers, like Vivienne Westwood or Alexander McQueen," Ms Weston said.

"But I have to admit that some of the clothes are just outrageous. Although I can't imagine people wearing them, ideas always filter down to the high street, eventually."

Among the outfits displayed was a purple tasselled and gold corset creation was designed by 24-year-old Abby Grewcock, who studied fashion and design at Loughborough College of Art and Design in Leicestershire.

The costume is part of her first collection, which is heavily influenced by the circus tradition, which she says is the inspiration behind her clothes.

Anyone wanting to attend any of the shows can call 0171 375 0441, for details.



Tight fit: A model wearing an Abby Grewcock outfit. Her designs are influenced by the circus tradition. Photograph: Philip Meach

Britain to spend £2bn on three new nuclear submarines

Christopher Bellamy
Defence Correspondent

In what was probably its last major defence announcement before the general election, the Government yesterday committed the nation to spending £2bn on three new nuclear-powered submarines - a new class to be called "Astute", because the Navy wants to begin the new millennium with the letter "A".

Military experts said the order is really costing £3bn, as four conventionally powered Upholder class submarines, which cost £1 bn, were originally designed to do many of the same jobs but were then declared surplus. They are still at Barrow-in-Furness, in Cumbria, waiting to be sold.

There is also doubt whether nuclear-powered submarines, designed to hunt Soviet submarines in the North Atlantic are necessary for the operations Britain is likely to conduct when the first new submarines come into service in 2005.

But MoD sources said the new submarines will be much more economical, as they will never need to be refuelled during their 25-30-year life.

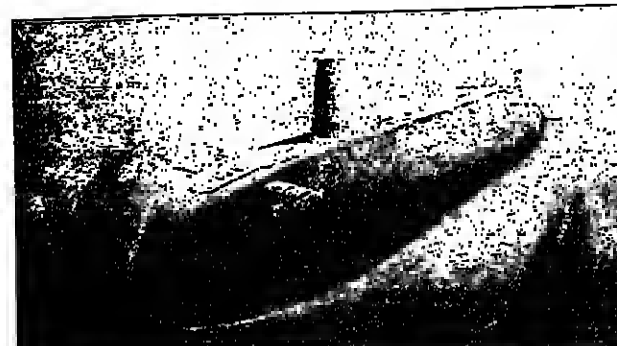
The submarines are not being built with separate accommodation for women. The MoD had previously said women would serve in submarines, when suitable accommodation was available.

Of the 100 berths on board the new submarines, 18 will have to be shared between men working shifts, the procedure known as "hot bunking".

Defence Procurement Minister James Arbuthnot told Parliament the order would be placed with GEC-Marconi as the prime contractor responsible for designing and building the submarines and their equipment, and maintaining them for the first four-and-a-half years.

It is the first time major warships have been built on a prime contractor basis. Mr Arbuthnot said the order will help sustain about 7,000 jobs at the Vickers Shipbuilding and Engineering (VSEL) yard at Barrow-in-Furness, and in Edinburgh, Glasgow, Derby, Bath and Bristol.

GEC-Marconi designed the submarines in competition with VSEL. But then Lord Weinstock, GEC's managing director, bought VSEL, enabling



New nukes: An artist's impression of the submarine

the MoD to combine the benefits of innovative design from GEC-Marconi - these are the first submarines they have designed - and VSEL's shipbuilding experience.

At 6,000 tons, the new Astute Class submarines will be able to carry load-attack cruise missiles with conventional warheads which can be fired from their torpedo tubes.

The Navy currently has four ballistic missile-firing Vanguard submarines and 12 nuclear-powered hunter-killers; five of the ageing Swiftsure class and seven Trafalgar. The Astutes are to replace the Swiftsures, so another two will be ordered later, unless the next government decides they are not needed.

In an almost unprecedented triumph for British arms sales, the US Marines are expected to buy hundreds of new artillery pieces of British design at a cost of \$500m (£314 m).

The US military normally buys US weapons, although the Marines also bought a version of the British Harrier jump jet. Some reports indicated that the Pentagon might announce the order last night.

The Marines want a powerful gun firing 155mm standard Nato ammunition which can be carried around by helicopter and will buy either the Light Towed Howitzer, developed by Royal Ordnance, or the Ultra Lightweight Field Howitzer, developed by VSEL.



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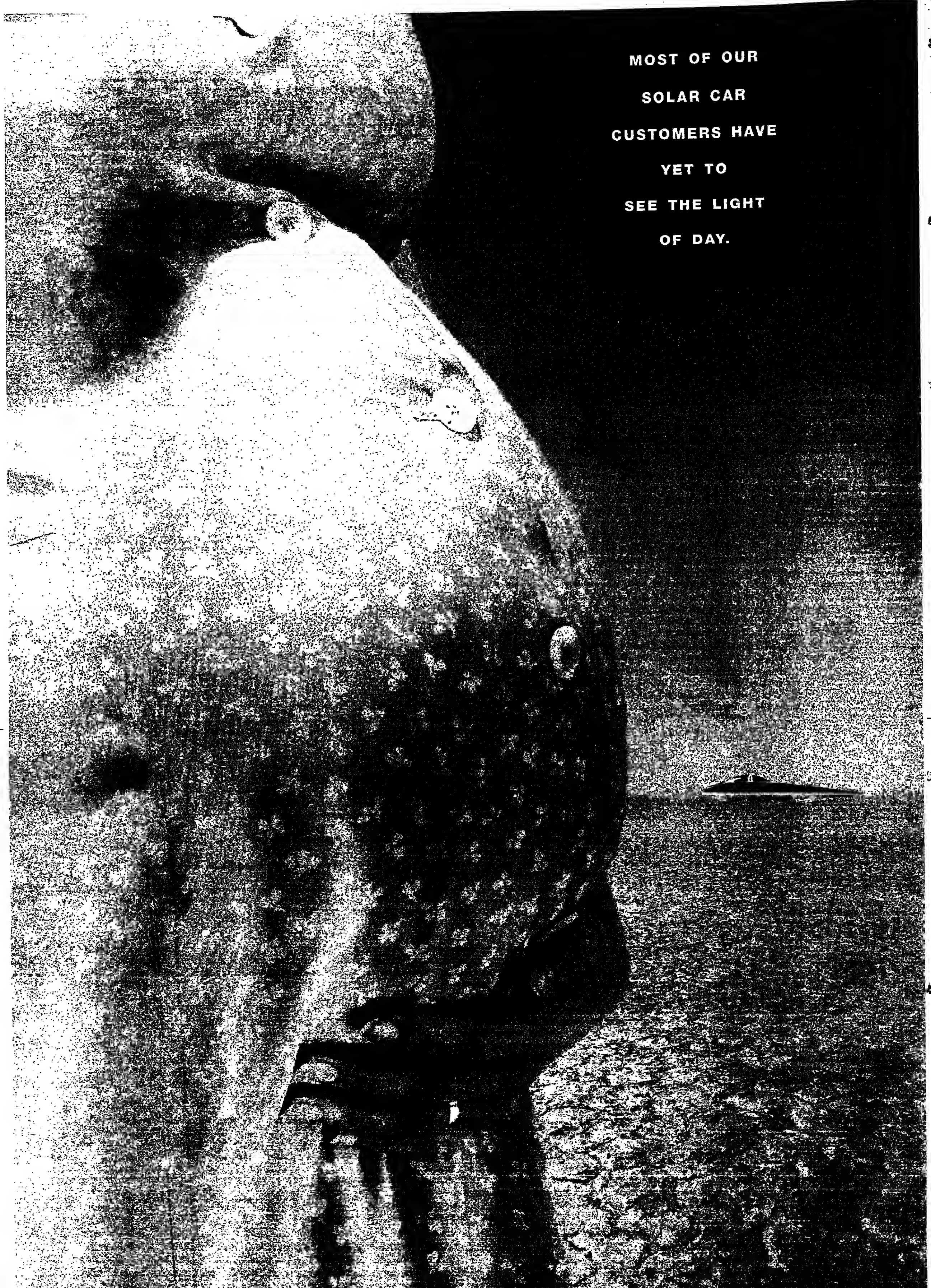
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Robert Mälikien
Sydney

The army was holding more than 40 Sandline mercenaries, most from South Africa, in custody last night.

The arrival of mercenaries in PNG, the first such involvement of an outside private army in the South Pacific, has caused alarm in the region, particularly in Australia, which ruled PNG until independence in 1975. John Howard, the Australian

Sir Julius's deal with the mercenaries angered Brigadier Gen Singirok, who interpreted the move as an attack on his integrity as army commander and a vote of no confidence in his forces.



Kingston (Renters) — Thousands of people paid their respects to the former Jamaican Prime Minister Michael Manley on Sunday, filling the main cathedral and spilling into the streets for the funeral of the legendary Caribbean leader. Manley's flag-draped casket was

carried on the shoulders of a military honour guard, preceded by 16 officiating clergymen and followed by dignitaries, including former Venezuelan President Carlos Andres Perez, Haitian President René Preval and Cuban President Fidel Castro. Castro's arrival was greeted by

roars from the crowd of "Fidel, Fidel" and by a standing ovation from those inside the cathedral. He was last in Jamaica in 1977 at the height of Cuban-Jamaican co-operation.

Manley, the son of the architect of Jamaica's political independence, Norman Manley, died of cancer at

his home on 6 March. He was dubbed "Joshua" in the 1970s because his father never served as prime minister after independence, thus leaving it to his son to lead Jamaica into the "promised land".

Tributes were by Manley's successor, PJ Patterson.

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Phil Davison
Mexico City

Since the 1910-17 revolution, the Institutional Revolutionary Party (PRI) has maintained an

With the capital's police force renowned for its corruption Mr Zedillo appointed General Enrique Salgado to head the city force last year. The general

And this week, 2,500 soldiers fanned out across the crime-ridden Iztapalapa district of the capital. The official version was that the 3,000 police officers were being sent on a military-style training course to equip them to fight spiralling crime. Similar job swaps are planned through the capital.

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Diplomats hunt for answers amid anarchy

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international

Chinese Koreans feed the hungry in hermit kingdom

Tumen, China — At the Tumen Gate Bridge border crossing between China and North Korea, an unofficial food-relief effort for the world's last Stalinist state begins each morning just as the sun's rays emerge from behind a hill engraved with an unintentionally appropriate North Korean revolutionary imperative: "Battle speedily".

Waiting for the customs office on the Chinese side to open, a local couple in their thirties were trussing up heavy cartons and bags to carry across the border. "All the other North Korean relatives of the Chinese Koreans around here have written letters saying no one has anything to eat," explained the man. So he and his wife were taking provisions to his aunt. "Grain and other foodstuffs... all food." China now limits the amount of grain which relatives can take across to 100kg. "But that is not enough, so sometimes we must go through the 'back door' to take more," said another Chinese Korean woman.

Following disastrous flooding in 1995 and 1996, North Korea is in the grip of severe malnutrition, and may be on the brink of widespread famine. Begging letters arrive regularly in this corner of north-east China, the Yanbian Korean Autonomous Prefecture, where 40 per cent of the 2 million population are

Teresa Poole reports on a reversal of fortune which brings begging letters from North Korea to China

ethnic Koreans, the result of population migration between the late-19th century and 1945. Many Yanbian Chinese Koreans here have relatives in North Korea; one local government official said he had received 15 letters from his cousin asking for help. These increasingly desperate missives provide

North Korea is in the grip of severe malnutrition

one of the few channels of regular information out of the closed Communist state. While the border is shut to foreigners, Chinese can cross from Yanbian to North Korea with just a permit, laden with food for starving relatives — or sometimes with a more commercial approach to China's hungry neighbour.

In Tumen's market, second-hand Chinese clothes are on sale for locals to buy for relatives. And for anyone interested in

North Korean souvenirs, the stalls offer traditional stone soup pots, metal cooking pans, brass chopsticks and large stuffed birds — the few North Korean products still manufactured. Some of the soup pots are well-used. "They are selling their old pots, just to have enough to eat", said a stallholder.

One truck parked in front of the Tumen customs building had rumpled back into China piled with bulging sacks. The driver was from China's Heilongjiang province where the last harvest was so bountiful that "the peasants could not sell everything, so they thought about selling to North Korea". He had taken a truckload of wheat flour and bartered it for medicinal Korean herbs. How did the North Koreans look? "I heard that people died of hunger... everyone is very thin," the driver pointed out that he himself was rather fat. "In North Korea I seem like I am an exploiter," he said.

There was a time when trucks passed frequently along the long, narrow bridge across the Tumen river, one of seven border crossings from Yanbian. But the economic woes of the "hermit kingdom" have result-

ed in a spectacular collapse in the value of trade between Yanbian and North Korea, from a peak of \$300m (£190m) in 1993 to just \$17m last year, said Huang Duan, director of Border Trade Management at the Yanbian Foreign Trade and Economic Co-operation Bureau. "North Korea has almost

Children suffer from night blindness and rickets

nothing to provide... Most border trade is barter trade, so if one side has nothing to supply...," he shrugged. North Korean state enterprises currently owe about \$10m in bad debts to Yanbian trading companies.

North Korea can just about still supply some wood, fertilizer, scrap metal (including old railway track) and seafood. But even the amount of seafood has declined, with only dried squid and "mingtai" fish still plentiful.

ful. "The North Korean fishermen don't have the gasoline to run the boats. Also their boats are quite old and [so is] their equipment," said Mr Huang.

North Korea's financial collapse began in 1991 with the break-up of its former economic patron, the Soviet Union. The floods of the past two years have wiped out much of the harvest and left hundreds of thousands of people homeless. Since then, an international aid effort has done its best to stave off mass starvation, but international sympathy has proved limited, not least because no one can be sure the food aid is not diverted to the army.

Nor can anyone know for certain the seriousness of the situation. Arthur Holcombe, the resident representative of the United Nations Development Programme (UNDP) in Peking believes there is widespread malnutrition in North Korea, with people rationed to just 700 calories a day. Children are suffering from night blindness, scurvy and rickets. So far, says the UNDP, people are not dying in great numbers, but Mr Holcombe warns that between June and September this year "there will essentially be no cereal grain crop available" and forecasts "a period of particular hardship".

Peering into North Korea from Tumen offers few clues. Along the river, Chinese entrepreneurs have set up telescopes for rent to Chinese tourists and to visiting South Koreans who journey here to get a glimpse of a forbidden land. On the other side of the river one can see the North Korean town of Nanyang, its railway station decked with two giant portraits of the late Kim Il Sung, and festooned with the slogan "Long live our Great Leader". The drab apartment buildings have plastic and boards in many windows, and apart from some children playing there are few people on the streets.

For Chinese over a certain age, it is like looking back in time. Until China's economic reform started in 1979, Yanbian people were poorer than their North Korean neighbours. "Our shoes and cosmetics all came from North Korea," remembered the government official. Now it is a destination which makes Chinese people feel lucky.



River deep: Three Chinese crossing the bridge to Nanyang with supplies for North Koreans suffering from the effects of economic collapse. Photograph: Teresa Poole

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Singapore's hard man puts his foot in it again

Stephen Vines
Hong Kong

"Sorry" is the hardest word to say for Lee Kuan Yew, Singapore's elder statesman. But even saying it may not prove to be sufficient to placate some very angry and influential people in neighbouring Malaysia.

They are up in arms over his comments on the border state of Johore and demanding retaliation by the Malaysian government which will discuss its stand at a cabinet meeting tomorrow.

Mr Lee is famous for telling other countries how to run their affairs, while being equally adamant that he will not tolerate foreign interference in Singapore. He sees no contradiction in this position but may have finally gone too far.

The latest row exploded when lawyers for an opposition politician, Tang Liang Hong, released an affidavit made by Mr Lee, who was suing him for libel.

In the affidavit, Mr Lee expressed surprise that Mr Tang was seeking refuge in Johore which he described as being "notorious for shootings, muggings and car-jackings". Yesterday Mr Lee said that not only

did he unreservedly apologise but would seek to have the offending remarks deleted from the court record.

This description of a neighbouring state was bad enough in itself, but added to a growing feeling that Singaporeans in general, and Mr Lee in particular, were doing Malaysia down. Last year Mr Lee caused outrage when he suggested that his fellow countrymen would have to pull up their socks or they might be forced back into a federation with Malaysia — a union ended on his insistence in 1965.

Also simmering is a feeling that Singapore discriminates against its minority Malay Muslim population in favour of the majority Chinese population. Malaysia, which supplies Singapore with its water, most of its food and a significant proportion of its labour force, is in a strong position to retaliate if it feels that Singapore is stepping out of line.

The *New Straits Times*, the country's leading newspaper, has called for a withdrawal of all contacts with Mr Lee and his son Lee Hsien Loong, who serves as a deputy prime minister.

Israel stakes all on summit deal with Arafat

Patrick Cockburn
Jerusalem

A summit between Benjamin Netanyahu, the Israeli Prime Minister, and Yasser Arafat, the Palestinian leader, was said by a senior Israeli official to be imminent last night as Israeli construction workers prepared to start building an exclusively Jewish settlement at Har Homa in Jerusalem.

If last-minute talks take place, they will revolve around devising a "package deal" under which long-standing Palestinian demands would be met in return for Mr Arafat muzzling his protests over Har Homa. These demands include the opening of an airport and the construction of a port at Gaza, safe passage between Gaza and the West Bank, release of prisoners and an Israeli pledge on the size of next stage of its withdrawal on the West Bank.

Some 100 Israeli infantry are waiting to quell any demonstrations. Israel has reinforced its troops encircling Gaza, in the West Bank and on the border between the West Bank and Israel.

Khalil Shikaki, a leading Palestinian political scientist,

said yesterday that his most recent polling showed that "Palestinians on the street are not thrilled by the idea of a confrontation. It comes too quickly after the last one."

Dr Shikaki said the US had made a big mistake in January at the end of the Hebron negotiations by leaving three critical issues open: Jerusalem, Israeli settlements and the size of Israeli redeployment from the West Bank. He said the US negotiators left the area "leaving behind these time bombs, above all the freedom for Israel to decide unilaterally how far its troops will withdraw on the West Bank."

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Annan displays reform zeal by cutting UN flab

David Osborne
New York

Under pressure from Washington to show his credentials as a reformer, the new Secretary General of the UN, Kofi Annan, yesterday unveiled a 10-point plan to streamline the organisation by cutting jobs and phasing out departments.

Most notably, Mr Annan has ordered the elimination of an additional 1,000 posts from the

United Nations bureaucracy from an already slimmed-down workforce of 9,000. He has set a 1998-99 budget, meanwhile, that will be \$123m (£76m) lower than the previous one.

By showing his willingness to cut what has traditionally been an ever-expanding budget, Mr Annan is hoping to quell carping from Capitol Hill that the UN soaks up too much money.

In a veiled appeal to the United States to respond by paying

its \$1.3bn in UN debts, he said: "We will deliver [on reform] and I hope that they will deliver their part of the bargain."

Other steps include merging three departments dealing with economic and social issues at UN headquarters into one and a commitment to revamp the secretariat's much-criticised information department.

The Secretary General is also asking for the consolidation of all UN agencies in beneficiary

countries with the establishment of single UN premises and the appointment of one UN special representative per country. The European Union has lobbied hard for such a change.

The 10 points represent the most obvious and easiest elements of reform. But Mr Kofi's proposals for broader changes, which will have to be approved by the UN membership, are still to come. They are certain to be more problematic.

Mr Annan has promised to address these issues in a comprehensive package of proposals in July. They include expanding the Security Council membership, consolidating some of the myriad UN agencies around the world and re-jigging the formula for national contributions to the budget.

Yesterday's first steps were welcomed by Sir John Weston, the British ambassador. "It shows he has the reform bit

between his teeth and we shall certainly be supporting them," he said.

Sir John also directed some comments at members of Congress who insist on setting standards, or so-called benchmarks, for reform before considering the payment of dues. "I hope these proposals get support from all quarters," he said, "and that we can all approve them instead of constantly making demands for more benchmarks."

Revitalised Yeltsin welcomes free-market whizzkid into fold

Reformer wins Cabinet spot, but grumbles ahead of summit with Clinton

Phil Reeves
Moscow

Boris Yeltsin yesterday lived up to his vow to introduce fresh reformist blood into his government by appointing one of Russia's most influential and youthful regional governors to high office.

The elevation of 37-year-old Boris Nemtsov is evidence that the revitalised President is embarking on his delayed second term with the apparently genuine intention of accelerating Russia's patchy economic reforms.

Although the move will be welcomed in the West, applause will have been muted yesterday as Mr Yeltsin also gave a prolonged television interview ahead of Thursday's Helsinki summit with Bill Clinton, in which the two presidents will seek to resolve their many differences over Nato expansion.

In it, Mr Yeltsin grumbled about Washington's treatment of Moscow on several fronts, suggesting it had failed to advance its membership to international organisations and was slow to "invest in Russia". "I don't want a return to the Cold War, I don't want it and our people don't want it," said Mr Yeltsin. "But for that there must be equal conditions in the world order."

Mr Nemtsov's new job will be that of First Deputy Prime Minister, a post which appears to be on level footing with his fellow economic reformer Anatoly Chubais as number two in the Russian government under Viktor Chernomyrdin, the Prime Minister. His appointment comes after days of speculation about Mr Yeltsin's cabinet reshuffle, which appears to be proving extremely tricky. Yevgeny Kiselyov, a top TV commentator with close links to the Kremlin, has described it as "the toughest cabinet negotiation... since the collapse of the Soviet Union."

The arrival in government of Mr Nemtsov - seen by many as the whizzkid of free market



Comeback: President Clinton arriving back at the White House after surgery on his knee, ahead of his Thursday summit with Boris Yeltsin

Photograph: Ruth Fremson/AP

reforms - may also herald a confrontation with Mr Chernomyrdin, a former gas industry executive whose power base is rooted in the mighty energy sector. Mr Nemtsov's brief covers social welfare, but it also includes overhauling government monopolies, including gas and electricity. Mr Chubais, meanwhile, will also be Finance Minister.

Mr Nemtsov has been tipped as material for high office - possibly eventually the presidency - for several years. After becoming governor in Nizhny Novgorod in 1991, he has steadily risen to national stature, when he visited London recently, Cabinet ministers were willing to meet him. Under the

Soviet Union, Nizhny Novgorod was a closed city called Gorky, where the dissident Andrei Sakharov spent years in exile. Mr Nemtsov is credited with severing it from its Communist legacy.

Although he has strong democratic credentials, he - like Mr Chubais - has proved himself capable of an iron pragmatism when the need arises. Several years ago, he fell out with Nizhny Novgorod's mayor, another reformer. Local elections, which the mayor was certain to win, were abruptly cancelled. Shortly after the mayor was fired by Boris Yeltsin, Mr Nemtsov's position close to the pinnacle of power will do nothing to assuage the

fury of the Communists and nationalists in parliament, who are fuming over the rise of their *bête-noir*, Mr Chubais, whose hatred for his role in Russia's privatisation.

Several other more powerful noses may also be out of joint: Mr Nemtsov's first suggestion in office was that government officials should be banned from using imported cars, depriving them of their beloved Rolls Royces and Mercedes.

Nor is the neo-nationalist Vladimir Zhirinovskiy likely to be rejoicing in one celebrated incident, he threw a glass of orange juice in Mr Nemtsov's face during a TV debate, only to have the compliment briskly returned.

significant stories

El Salvador left-wingers savour a capital victory

El Salvador's leftists have won at the ballot-box what they could not in 12 years of civil war: control of the capital and dozens of seats in Congress. A coalition led by the Farabundo Marti National Liberation Front pushed Hector Silva to victory in the mayor's race in San Salvador. Incomplete returns indicated the Front was even with the government party, the right-wing Nationalist Republican Alliance (Arena) in Sunday's congressional and city elections. Projections indicated Arena would end up with about 32 seats in the 84-member National Assembly to 29 for the Front. Arena now has 41 seats won in 1994 and the Front has 14. AP - San Salvador

Brussels firebomb kills four

A firebomb attack on a Brussels bar killed four people sleeping in an upstairs apartment. Five suspects were detained. The victims' bodies were recovered from the ruins of the five-storey building, which partly collapsed. The bar, in Molenbeek, a working-class area, was popular with North African immigrants. AP - Brussels

Hostage crisis in third month

Latin America's longest hostage crisis ended its third month with 72 hostages still trapped inside the Japanese ambassador's home and no new talks scheduled to end the stand-off. Relatives of the captives asked Lima residents to join them in a show of solidarity for the hostages yesterday. AP - Lima

Oklahoma trial delay denied

A judge refused to delay the Oklahoma City bombing trial of Timothy McVeigh, ordering jury selection to begin on 31 March. District Judge Richard Matsch denied a request from Mr McVeigh's lawyers to dismiss the charges or move the trial, which were based on several recent media reports that said McVeigh had confessed to the bombing. AP - Denver

Paris mosque targeted

A crude bomb exploded at a Paris mosque, damaging the entrance and slightly injuring the caretaker of the building. No one immediately claimed responsibility for the blast, which also shattered windows along the rue de Tanger in a district of north-eastern Paris which has many immigrant residents. Reuters - Paris

Cloning could save pandas

Two Chinese geneticists said new cloning techniques could provide a means of helping to save the endangered giant panda. It is estimated there are only 1,000 giant pandas left in the wild, in the bamboo forests of south-western China. China has panda-breeding programmes in a number of zoos, but the success rate has been poor. Reuters - Shanghai

Cash dispensers

Two women posing as masters of an ancient Chinese mystic belief called qigong told a crowd in Shenzhen to show their faith by putting their money on the ground in front of them. The men then told the crowd that if they did not turn around and take 20 steps away they would be immobilised by energy radiating from them. They then grabbed the money and ran away. Reuters - Hong Kong

Rebels aim for Zaire's second city as coup fears sweep capital

Ed O'Loughlin
Goma

Zairean rebels in Goma, their provisional capital, announced yesterday that their next objective would be Lubumbashi, capital of the copper-rich Shaba province. But with the capital Kinshasa awash with rumours of imminent coups, the rest of Zaire could fall into their hands before they even move to take it.

Two days after rebels captured Kisangani, Zaire's third largest city, the country's ageing President Mobutu Sese Seko is reported to be critically ill in a French hospital. Meanwhile, the power is draining from his regime in Kinshasa, as defiant rebels swarm westward from the Rwandan border.

Kinshasa may be the brains of Mobutu's Zaire, but by capturing Kisangani, Laurent Kabila's Alliance of Democratic Forces for the liberation of Congo/Zaire seemed to have tipped out its heart. With Kisangani in their hands, the rebels are now poised to continue their advance into strategic mineral regions and perhaps Kinshasa itself.

Although Kisangani was an important objective in itself, for the rebels it also represented an opportunity to rout the best forces Mr Mobutu could send to meet them. These included several thousand members of the exiled Rwanda Hutu army and militias and - the rebels



Handover: Zairean troops surrender weapons to rebels at Kisangani. Photograph: Reuters

claim - fighters from the Angolan Unita rebel movement.

The city was the base for the government's troops and foreign - mainly Serb and Croat - mercenaries whom President Mobutu ordered to crush Mr Kabila's eastern rebels. Its airport was, until Saturday morning, the last airfield in eastern Zaire still in government hands.

The capture of Kisangani is a crippling blow to any plans the government might have had for launching another offensive. Worse, its geographical position astride the Congo River system offers fresh opportunities to move against diamond-rich Kasai province in the south or Kinshasa in the west.

Zaire and its allies claim that the rebels' success is due to direct support from the governments of Rwanda, Uganda and Burundi, ethnically linked to many of the rebels and politically at odds with Mr Mobutu's regime. Zaire's neighbours deny this and accuse it of seeking excuses for the indiscipline and corruption of its own bedraggled army.

Most towns on the road to Kisangani have been captured after a light bombardment and with little fight - the rebels seem content to allow the demoralised Zairean and Rwandan Hutu troops to loot and flee.

According to one military observer the rebel army's most

difficult challenge was probably logistical - maintaining supply lines along the broken roads and tangled rainforests that separate their base at Goma from Kisangani, over 300 miles to the west. In doing so, the rebels have shown that they are capable of striking anywhere.

Kisangani (Reuters) - Around 300 government troops handed their weapons over to victorious rebels in Kisangani as the central government told its citizens not to panic over the military defeat. Residents in Kisangani say that the city, headquarters for army operations in the war zone, fell to rebels after Zairean soldiers looted what they could and fled.

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quote the Russian violinist David Oistrakh who once, when visiting the Juilliard, was asked what was the best method of teaching, and replied: "I don't teach by method but by example. When words run out I pick up the violin and *play* those 10 bars. They mean more to a talented student than all the words." This, too, was Fuchs's credo.

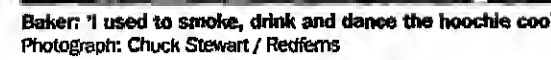
Joseph Fuchs, violinist: born New York 26 April 1900; married first Lillian Kessler (one daughter, marriage dissolved 1940), second Doris Levy (died 1997), died New York 14 March 1997.

James Stevens Cox

Ever since he was a boy he had been interested in natural history. As well as an aviary in Dorset, he kept a jaguarondi (a South American cat), a spider-monkey, dogs and a fox-cub but, above all, a substantial number of toucans, after which he named the press that he set

up in 1960. I, for one, will never forget the toucans, under whose sardonic eye and alarming beak I first met Stevens Cox, now at Barnstable. We had been sent to the rain forest and biophiles Geoffrey Keynes, who had heard of his mortification, that John Sparrow had bought there a book that had belonged to John Donne, and (more cheerfully) that there was an unexplored hack room which might, possibly, contain another such book. Stevens Cox was out, but his wife receded into the background to avoid the question of the back room, and concentrated instead on the toucans. There were many different kinds and I learnt a lot about them, particularly when Stevens Cox himself returned.

sympathetic interest; they smelled a bit (so did the books), but otherwise were full of exotic charm. I expanded; so did the Coxes. Eventually, I brought up the backroom question: the books were not for sale. I was told, but I might look. I looked, but there were no more of



Harry Love

Thomas Hardy, in particular, the recollections of those who had known him. This led in 1970 to the *Thomas Hardy Year Book* which still continues to

Pamphlets on other Dorset writers, Thomas Russell, by Edmund Blunden, William Barnes, by Stevens Cox himself, also issued from the Toccara Press; its masterpiece was a half-size facsimile of Gould's *Monograph of the Rhipidostidae* (1894) again an edition limited to six copies.

Stevens Cox retired to Guernsey, where he became immersed in the archaeology and history of the island. He started a new series of publications, "Guernsey Historical Monographs." He gave lectures and ran evening classes, kept bees

as well as birds, and began a new garden (he was an expert pruner). He grew old without changing, nor did he forget Dorset, continuing to publish nearly a hundred papers on Uchester history.

Nicolas Barker

James Stevens Co, bookseller, publisher, writer, archaeologist, local historian and hairdresser; born Bristol 19 February 1910; twice married (one son); died



ROYAL ENGAGEMENTS

The Queen held an investiture at Buckingham Palace. The Duke of York attended a dinner given by the Yorkshire Conservative Association in 18th St. Union on Tues., Yorkshire. The Princess Royal, President, gave the Children Fund address. "Talk Back" at Hoppus and John Wren's, Leeds. London NW1. Princess Margaret gave the Prince of Wales Museum, Harrogate. Was a Yorkshire, and as President, National Society for the Pre-

Tenant in

Wolverhampton Metropolitan Borough Council, *ex parte* Walters; Court of Appeal (Lord Justice Leggatt, Lord Justice Pinner, Lord Justice Judge) 14 February 1997

The "reasonable preference" which a local housing authority was required by section 22 of the Housing Act 1985 to give council housing applicants who had large families or who currently lived in insanitary, overcrowded or unsatisfactory conditions, could legitimately be outweighed by other factors, such as the fact that the applicant owed substantial rent arrears from a previous council

housing list

His Lordship disagreed. If section 22 simply required "preference" to be given, that argument would be correct. But it did not: it required "reasonable preference". That envisaged that other factors might weigh against and so diminish and even nullify the preference.

If Sedley J, when saying in *R v Lambeth LBC, ex p Njomo* (1996) 22 HLR 737 at 743 that a council "must not... eclipse or distort the priority which section 22 accords", meant that the statutory preference could not be outweighed by other rel-

such other factors as might properly be weighed against them. So the council was entitled to take account of substantial arrears of rent due to the council.

Tenant in arrears could be barred from housing list

LAW REPORT

18 March 1997

argument would be correct. But it did not it required "reasonable preference". That envisaged that other factors might weigh against and so diminish and even nullify the preference.

Sedley J. when saying in *R v Lambeth LBC, ex p Njomo* (1996) 28 HLR 737 at 742 that a council "must not . . . eclipse or distort the priority which section 22 accords", meant that the statutory preference could not be outweighed by other relevant considerations, he was wrong.

No preference was to be given but reasonable preference. That involved balancing against the statutory factors such other factors as might properly be weighed against them. So the council was entitled to take account of substantial arrears of rent due to the council.

Paul Magrath, Barrister

Forget numbers – this is about our future

The best sporting metaphor is not a steeplechase, or a marathon. The election campaign is more like the Tour de France or the Milk Race. Electoral excitement for the next few days will give way during Easter week to a rest period; then, from about 3 April onwards, the contest proper. Too long a run, a largish segment of the electorate will cry: we have seen it, heard it, been there before.

Of course, we do "know" the leading candidates all too well, their grimaces and their ties. We have also, if we care to look, amassed a lot of pointers towards their policies. We might ask for more: the National Institute of Economic and Social Research are the dustiest bunch of number-crunchers going and their matching of the tax take, spending commitments and debt (worryingly high for this stage of the economic cycle) says that for the next government the choices are stark and unavoidable. Either the incoming Chancellor sticks with spending plans, in which case there will be hell to pay on the health, education, defence or law-and-order fronts. Or else – economists do have a way with words – the incoming Chancellor will have to resort to fiscal tightening. Gordon Brown has promised not to raise income taxes, so that implies scrapping revenue from National Insurance and cuts in tax allowances, or other financial prestidigitations.

On finance we are going to have to whistle for clarity, just as nobody is going to prescribe for the physical crisis (the word, for once, is advised) in prison capacity, especially not the Tories, since Michael Howard is partly responsible for it. There is, however, something political leaders not only should but could give us without committing themselves to specific policies or tax regimes. It is even the kind of thing that is communicable in the truncated forms of modern media. It is a picture of Britain, five, 10 years on – the figurative presentation to British people of their own future, a symbolic description of what Blair's Britain, Major's Mainland, Ashdown's Albion, would look and feel like.

For all the shortness of American attention spans, at the last presidential election voters in the United States were presented with distinguished pictures of their future. Bill Clinton gets criticised in this country for his "touchy-feely" style – but only by critics who misunderstand the nature of the presidency as a locus of popular hope. His use of a "bridge" figure chimed with popular cultural imagery (*The Wizard of Oz*) and the immense optimism which is one of the United States' most attractive qualities. Blurry it may have been, but President Clinton offered a vision of a country moving into the new century with most of its historical dreams intact.



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"I have a dream". It is not just that modern British politicians are bad at preachy language. They may not actually have much of a picture of 21st-century Britain to present. Since the Liberal Democrats do not aspire to majority control, they can more easily be forgiven a certain gap in their rhetoric. Perhaps Paddy Ashdown came nearest to filling it at their last party conference with that peroration about his military service in defence of a liberal vision of Britain-in-Europe.

So far John Major has offered two tropes, one urban, one rural-nostalgic. Britain ought to be a place where a boy

from a humble home can join a bank, cross the Thames and end up furnishing his country home from B&Q. There is a set of powerful metaphors there to do with motivation, (inherited?) ability, and public services (good schools and stimulating teaching). But his talk, as yesterday, about "revolution" would ring the more convincingly if it did not contradict the other Major figure, about cricket greens and policemen on bicycles, straight out of some chocolate-box rural idyll. For a large number of 21st-century Britons all our country will ever be is Emmerdale.

The Conservative Party will always do a roaring trade in Great British nostalgia. The trick is to combine it, as Mrs Thatcher did, with an appeal to cut-and-thrust economic modernisation. John Major's problem is Europe. As long as business keeps saying, however sotto voce, that Europe is our future, he cannot make use of the ready symbols of British-English nostalgic nationalism.

But Europe – we learn from yesterday's *Sun* – is not necessarily part of Labour's vision for Britain. As recently as a year ago, Labour was going Dutch, conjuring a Britain that could be like the Netherlands, combining economic success with social concern. In such a Britain "European" coinages such as social exclusion would be taken seriously, and Islington would care about conditions of life in Sedgefield, Co Durham, both because economic progress depended on both moving on-wards and upwards, and because of historical community spirit. But as Euro-enthusiasm has waned, so Labour's picture of Britain under Blair has become obscured.

What place should we associate with Blair: what kind of Britain? This is not the same as asking for policies, or even for a model of how government can affect the shape and colourings of civil society. It is to ask for some flavour of what ought to happen next – under Labour what will it smell like, will schoolchildren be uniformed and obedi-

ent or boisterously creative? Will their ambitions be quelling and jagged, or smooth and safe and comforting?

Some readers (and at times we must sympathise with them) are bound to feel that there is going to be quite enough of all this election business over the next few weeks. But it could be an opportunity for the nation to learn something useful about itself as we gaze in the mirror the parties hold up, and look there for a picture of what we might become.

A nation of Bolly bolsheviks?

They ought to be hanging out the Union flag in the streets of Rheims. Britain is once again importing more champagne than any other single foreign buyer. Consumption levels are back up to their Eighties peak. British imports of the stuff rose by nearly a fifth between 1995 and last year and drinkers are buying more vintage wine. What explains this national love-affair with bubbles? It can't just be, *ah Fab* and the cult of Bolly. Either champagne is becoming more of an ordinary everyday drink for the nobles or else the habit is spreading through the social order. Is the nation on its way to champagne socialism? Heaven forbid.

LETTERS TO THE EDITOR

Law backs Ashdown on TV debate

Sir: In accepting the offer of a televised presidential-style debate involving John Major and Tony Blair, the Conservative Party chairman, Brian Mawhinney, has made clear that he does not want Paddy Ashdown to be involved. I can understand why, as it is the Liberal Democrats who pose such an obvious threat to Conservative MPs in a large number of marginal seats.

However, Dr Mawhinney clearly thinks he can ignore the law on this issue. In Scotland, in April 1995, John Major's *Panorama* broadcast was delayed until the close of polls in our local elections because it was considered to confer an unfair advantage. The principle here is the same: any debate must involve the leaders of all three main parties.

The objections of the Scottish National Party and Plaid Cymru could be accommodated by staging equivalent debates between their leaders and the respective Scottish and Welsh spokesmen of the main UK parties. Since neither of these parties puts up candidates in England there is no need for these debates to be broadcast there.

Obviously the format would reach different proportions if the Green Party, the Natural Law Party, the UK Independence Party, the Referendum Party and the Pro-Life Alliance all insisted on participation, although doubtless Sir James Goldsmith could fund his own legal challenge.

Nevertheless, the principle remains. No matter how much Tony Blair agrees with John Major these days, it is not up to them to abolish the other opposition parties. Fairness and election law both require the Liberal Democrats' presence.

DEREK YOUNG
Scottish Liberal Democrat prospective parliamentary candidate for Carrick, Cumnock and Doon Valley
Ayr

Sir: It is disturbing that the chairman of the Conservative Party appears fundamentally to misunderstand the nature of the British general election ("Major sets terms for TV debate", 17 March).

Brian Mawhinney says that the purpose of any televised election debate (between leaders of two of the very many organisations putting up candidates) would be to facilitate "a choice of two possible prime ministers".

However, despite desperate attempts by the main parties to Americanise the election process, by using cynical market research techniques to recast their propaganda and by personalising the political fight, our election process is not presidential.

A well-chaired radio debate with a panel drawn from all the parties fielding candidates would be a much better idea. It would obviate all visual presentational distractions and focus minds on nothing but the quality of argument.

GARY SLAPPER
The Law School
Staffordshire University
Stoke-on-Trent

Sir: It seems a shame that we should be considering a debate between two centrist politicians, rendered anodyne by Mandelstam and Spin Doctor. We should have a TV debate



Howard tilts the scales of justice

Sir: Certain implications of the proposed change in categorising criminal offences appear to have been overlooked hitherto.

("Howard under fire over plans to curb jury trial", 28 February letter, 6 March). If offences are downgraded to being triable by magistrates only, with no option to the crown court, the following consequences will flow.

The advance disclosure rules will no longer apply to a summary-only offence and the prosecution will be under no obligation to provide advance information of the case against the defendant. Recent high-profile cases have clearly indicated the dangers inherent in inadequate disclosure to the defence, and it would be no comfort to a defendant facing trial to be told that the offences involve "only" a theft from a shop or "only" a minor assault if he or she feels aggrieved at the result.

It is becoming increasingly difficult to obtain legal aid to represent defendants charged with summary-only offences. Each legal aid application is determined not only on the defendant's means but on the test of the "interests of justice", and many courts will routinely refuse legal aid on the basis that the perceived danger to the defendant is not high enough to warrant its grant.

PETER RHYS JONES
Sollicitor
Carmarthen

Politics of the winning smile

Sir: Peter Popham is quite right to question the worth of the Oxford Union ("The state of the Union", 15 March). Being a Cambridge undergraduate, I can only assure you that the Cambridge Union seems, if anything, less effective.

The disappearance of the unions' political influence, however, is more due to their style of debate than students' lack of interest in politics. It is far too easy for a classical "This House believes..." debate to become little more than a series of theatrical performances by the main speakers, failing to engage with the full range of opinions and issues.

One sees a similar phenomenon in the House of Commons, although lobbyists do help to keep eyes focused on policies rather than the TV audience. With the current trend towards "appearance and soundbite politics", the demise of the unions' debating reflects the wider tendency to avoid serious, thinking discussion and turn instead towards empty wit, and that winning smile.

DANIEL ROULSTONE
Cambridge

Welsh wording

Sir: One of the examples given in the article about regional dialects (16 March) needs correction.

I know three meanings of the word *dap* in South Wales, but "bounce" is not one of them.

It describes the dropping of, for example, a cup which subsequently smashes or someone's size and build – "He was about my dap", meaning about the same size as me.

However, the most common meaning (though this may be very local to South-east Wales) is pillocks or pumps (not trainers) – "a pair of daps".
R PUGH
Cardiff

Low-dose danger of pesticides

Sir: Your report "Pesticide applies add to Maff's troubles" (15 March) raises serious concerns.

Many people will be concerned about chronic low-level exposures to pesticides in their diet. The constant emphasis by Maff and its advisers on acute pesticide effects diverts attention from this serious public health issue. For instance, malathion, listed as a residue in the Maff report, was found to be one of several organophosphate pesticides which affected the immune system in laboratory test in the 1970s.

There are also large gaps in scientific knowledge about the immune and neurological effects of low-dose exposures to many pesticides. What may happen when pesticides at low levels are mixed perhaps in a wide range of fresh and processed food is poorly understood. Malathion, however, as early as 1957 was found to have increased toxicity when mixed with other pesticides.

The potential effects of long-term low-level exposure to pesticides on infants and children are also not fully understood. In the United States, research agencies conducted major scientific inquiries and special government offices have been established to review public health threats to children. Sadly no such actions appear to have been taken in the UK.

Your report notes very high pesticide levels in some home-

grown apples. This would indicate that the risk to farmers and farm workers in orchards from applying these hazardous chemicals is also a cause for concern.

Dr ANDREW WATTESSON
Director, Centre for Occupational and Environmental Health
De Montfort University
Leicester

Sir: We are told that some apples and oranges have high levels of harmful organophosphate pesticides.

Surely the Government should advise us of which countries are supplying the harmful fruit and which varieties are affected. Then we could choose fruit from countries which use less pesticide.

Or is this another example of the Ministry of Agriculture, Fisheries and Food putting the interests of the food producers above consumer health?

C WELLS
Ruislip, Middlesex

Sir: There may well be no risk to anyone from BSE buried in open tips... but there might. There may well be no risk from the bovine incineration plants through the smoke and ash they produce... but there might. Risks have been already taken and tips such as Rowley (report, 12 March) can only add to them by a relatively low amount.

Quite inadequate research has been carried out into the spread of BSE, into the doses needed to infect animals and into the levels present in bovine tissues. The levels

of infectivity originally claimed by Maff to be in the tissues were between 1,000 and 10,000 times lower than they turned out to be, and the tests used on most tissues were too insensitive. So not enough data is available to say if Rowley is a danger or not.

What we can say is that on average, in the UK, we have each eaten 50 meals of bovine products made from cattle infected with BSE and extensive research must now go ahead into methods of diagnosis and treatment for the people that have become infected. The Medical Research Council has recently refused to fund research into the number of people in the population incubating the disease. We have excellent scientists and should be using them.

DR STEPHEN DEALLER
Microbiologist
Burnley, Lancashire

Angola denies Zaire meddling

Sir: The reports cited by Richard Gott ("A head in the river, a twist of history", 12 March), alleging that the Angolan government has been sending men and weapons to support the forces of Laurent Kabila in eastern Zaire, are absolutely untrue.

My government upholds peaceful co-existence and the policy of non-interference in the internal affairs of other countries. The build-up of Angolan forces in Cabinda Province is related to

the need to defend national sovereignty and the civilian population against the military activity of separatist groups operating in the enclave.

The Angolan government has repeatedly called for a peaceful solution to the situation in Zaire and supports diplomatic efforts being made to end the crisis.

ANTONIO DA COSTA
FERNANDES
Ambassador
Embassy of the Republic of Angola
London W1

Berkoff's target

Sir: With reference to Marianne Macdonald's "Coup de théâtre..." (4 March), Steven Berkoff's quotes were taken from his letter to *The Times Literary Supplement* (31 May 1996), responding to Paul Bailey's review of his autobiography *Free Association*, and not directed at a theatre critic. Although he has not been approached about contributing to the theatrical swap, we are sure Steven Berkoff would wish the new directors, Nicholas de Jongh, Michael Billington, Jeremy Kingston and James Christopher, well in their tricky endeavours.

JOANNA MARSTON
Rosica Colin Ltd
London SW7
The writer is literary agent for Steven Berkoff

The early bird...

Sir: Swallows have returned to our garage a month earlier than usual. Could this be another manifestation of global warming?

MIKE ATKINSON
Tewkesbury, Gloucestershire

campaign comment

How the Tories can still win another five years

May the first is a good day for a general election. In many parts of the country, voters will be able to elect councillors at the same time as an MP. We could have a decent debate on what is in our schools, on our streets, in our communities, bringing together both the local and the national.

People want answers to how educational standards can be raised, crime controlled, gridlock tackled. It does need local as well as national action. I hope John Major does have a chance to debate with Tony Blair.

There are so many unanswered questions. How would Mr Blair avoid importing unemployment with Euro policies? How would he improve our schools when Labour councillors have often made them worse? How would he encourage more detection of crime when Labour has been tough on police authorities under their sway? He has ducked too many of these issues so far.

There are some Conservatives who believe that a stronger line on Europe is all that is needed to win the election comfortably. I do not believe that Europe is enough. It is one of the big issues on doorknobs. It is the main issue amongst party faithful. But there are others.

Many of us want to be part of our continent, and to help it on the path of peace and prosperity. We want Britain to argue vigorously around the tables of Europe for the right kind of Europe: for a Europe which works, for a Europe which can offer some hope of jobs as well as peace to our young people. That means changes to the agenda of the Union. It means not withdrawing, but using the veto, and the power of argument to deflect Europe from more government and more taxes, into a path of more jobs and fewer laws. Europe does not suffer from too many currencies or too few regulations. It suffers from too few jobs and too many regulations.

Britain should be saying that business needs more open markets in everything from aviation to telecommunications; that small business needs fewer social costs to employ more people; that economies facing mass unemployment need exchange rates and interest rates that help them get people back to work. We should say that Germany and France have fumbled in their compromise for the Stability Pact. It makes no sense to find countries that are having trouble balancing their budgets. We should suggest a better way to make the western European peoples prosperous.

To win the election, Conservatives have to show how education, health, law and order will improve under another five years of Conservative administration. We have to explain how, in the last three years, we have followed the right economic policy, and how Labour's plans could damage that. We must show that the Conservative government is 18-years-experienced and energetic in office, not 18-years-old and tired.

We should not be warned off education by Labour complaining that if there are faults still

Europe is a key issue but health, education and crime must all be addressed if this government is to be re-elected, argues John Redwood

in our schools it is the result of 18 years of Conservative government. Labour used to believe there was nothing wrong with our schools that a few billion pounds more would not put right. Now they say that for the next two years, if they were given the chance, they would spend exactly the same as the Conservatives.

They have also conceded that things are not right in all our schools. They may even have noticed that Labour runs most of the Education Authorities, and that those authorities have the powers necessary to sort the problems out.

Mr Blunkett [Labour's education spokesman] has been more damning than me in commenting on teaching quality. He has confirmed the Chief Inspector's figure of 15,000 bad teachers. He has implied they should be sacked: an extreme approach. Does he realise that most of these teachers are employed by Labour Education Authorities, and by Boards of Governors with many Labour members? What is stopping him sorting it out?

Conservatives propose a way to improve it. We believe in publishing the test results. We believe in more regular and better inspection. We believe in more parents having a choice of school. We believe in governors having more power to improve things. Gradually standards are rising. We need five more years to make much more progress.

It is the same with law and order. Crime has been falling for the last four years. It is still far too high. We need to see through reforms of sentencing and prisons that are now being put in place. We need to encourage and strengthen the police, freeing more men for detection and beat work. We need to raise the level of detection and clear up. We may need to break the monopoly of the Crown Prosecution Service, to bring more cases to court.

The electorate are very worried about health. Stephen Dorrell has stated that we should keep more of the smaller, local and older hospitals open. This is welcome. We need to see the results on the ground. However many more patients are being treated, however much the waiting lists come down, if the local hospital is closing it creates an impression of a NHS in retreat. That is an unfair reflection of all the extra money and activity. There is no need for it to happen.

A positive, alternative approach to Europe, offering Europe something better than Chancellor Kohl's vision of Maastricht misery, would help. So too will positive campaigning on the big issues that worry people in their daily lives. Insecure Mr Blair is offering nothing. He now accepts Conservative spending plans with the addition of a tax on fuel and water. He accepts much of our law and order programme. His education spokesman admits the problems but offers no solutions. In the days that remain, Conservatives must offer people a real choice: policies that can raise school standards, health quality, and living standards as well as a programme for a Europe that works.

The writer is Conservative MP for Wokingham.

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WHO PAYS?

Mayday! Mayday! Can we really last six weeks?

As we enter the longest general election campaign in memory, Peter Popham wonders how the politicians will hold our attention

Insider put it, "John Major didn't want to be the last person to announce the date of the election". As 1 May is the last possible date, there was no element of surprise to exploit. But by announcing the election this far in advance, Major may hope that he does not look as if he is bowing too fearfully and belatedly to the inevitable.

There is also a sense in which, though now officially under way, the war will remain phoney for the next fortnight. Until the House dissolves after Easter, MPs will remain locked into their Commons routines, and government business will unfold with a hysterical semblance of normality. Only once April Fools' Day is safely behind them will the MPs board their war buses and rally forth.

There is one other reason for a long campaign. Tory strategists hope that the more searching the examination to which Tony Blair must be subjected, the better the chance that waverers will decide that after all they do not like what they see. "A long election campaign will help to focus on the risks of Labour," one senior

party worker said. "It's easier to turn news into propaganda than to turn propaganda into news, so in peace-time, outside a campaign, journalists are only interested in news stories, not argument. That's not true in an election campaign. Conservatives depend on the arguments. We have nothing to fear from a prolonged intellectual debate."

In other words, the sooner the Tories, as ministers, can stop doing things (which go off at half-cock, or blow up in their faces) and clamber up on their soapboxes, the happier they will be.

It is brave talk, which strives to turn to advantage the fact that neither party has many more trinkets left to pull out from under the counter. The phoney campaign has been under way for months now, ever since the autumn party conferences. The fireworks have all been exploded, the Tattooed Lady has done her stuff. All that is left to tillate is the prospect of the bare-knuckle fist-fight.

Of course the sheer intensity of activity and excitement

within political circles over the next weeks will produce enough accidental effects to distract the rest of us from time to time. Looking back over 1992, one recalls the great Jennifer's Ear controversy, the launching of the manifesto of the Natural Law Party with the slogan, worthy of Eric Cantona, "Only a new seed will yield a new crop". Then there were the fatal blunders of the last phase of Labour's campaign, the launch of the alternative budget and the triumphalist April Fools' Day rally in Sheffield.

Such reckless celebrations of supposed foregone conclusions will no doubt be studiously avoided this time around. Labour has run an extremely tight ship ever since Blair took over as leader nearly three years ago, but yesterday the word from Millbank was that it had got even tighter: to prevent contradictory messages getting out to feed a ravenous Tory press, all bids for interviews with Labour must now be channelled through the press office. Discipline will be even more rigorously imposed than before.

This is an acknowledgement that despite or even because of his party's continuing extraordinary lead in the opinion polls, the attention of the nation will be relentlessly on Tony Blair for the next six weeks. And this is for a very good reason: Tony, we hardly know you. We know everything we have had pushed at us, from fish and chips to Christian socialism. But if John Major is like some slightly seedy, down-at-heel uncle whose tedious monologues one avoids at family gatherings, Blair is the prospective new son-in-law. We've experienced the handshake and seen the grin, we've grinned back through several sessions of inconsequential banter. But who really is this man who claims this role in our lives? Our acquaintance has barely begun.

It is a fair bet that Blair's minders are not going to make it easy for us. But for voters, trying to find out who the Labour leader really is will be the main task of the next six weeks. Perhaps one's fear that this will be a boring time is wildly misplaced.

Life lies beyond the dry stone of Pevsner

I caught a trailer on the television the other day for a programme called *In Pevsner's Steps* or *On the Trail of Pevsner* or something like that, and my blood ran cold. My mind went back to the days when I lived on the edge of museum circles, and just for a moment I felt the chill draught of that strange world.

For those who don't know the name, Pevsner was Sir Nikolaus Pevsner, who masterminded a series of books called *The Buildings of England*, issued county by county. Each book lists all the buildings in the county which Pevsner thought of historical or artistic interest, and then lists details of the buildings. Nothing quite like it has been attempted anywhere else in the world, and perhaps only a man with a meticulous Germanic background would even attempt it.

The upshot is that if you land in an unfamiliar part of England, you can refer to Pevsner for a quick run-down on the façades in the high street or to see what churches, castles, houses or town halls are worth a visit.

Pevsner is not afraid to criticise buildings he does not like. He describes the Empire Hotel in Bath as "an unbelievable piece of pompier architecture, 1901, by C E Davis... The effect on the NE view of the Abbey is disastrous. Moreover in the roof there are side by side a large Loire-style gable and small Norman-Shavian tile-hung gables. The Avon front is in the same frolicsome spirit. What can have gone on in the mind of the designing architect?"

But such personal notes are, alas, rare, and for the most part Pevsner contents himself with a dry list of details, such as: "The nave S wall has odd elongated two-light windows with arched lights and a straight hood which are said to date from the C18. Of the same date the blocked S doorway. Some medieval fragments built into the nave S wall inside..."

I can remember walking around many such churches with my first wife, Pevsner in hand, trying to educate myself on church architecture, and it never occurred to me at the time that what I was doing as a



Miles Kington

grown-up was what I had done as a child, but with trains. When I was about 10 I sat on the edge of the old GWR line between Wrexham and Chester, making notes in Ian Allan train-spotting guides which listed all engines by class, by weight, by date, by depot and, of course, by number. Pevsner is no different. Ian Allan was to trains as Pevsner was to buildings. No, as Pevsner was to churches, because if you roam through Pevsner's guides you will find that most of his buildings are churches, and most of the details are endless.

variations on gargoyles, arches, windows, doorways, tombs, fonts, chancels... It's architectural train-spotting, that's all it is.

The reason I dragged my first wife into this is that it was she who introduced me to this world. Her father was an architect, on whose shelves I saw Pevsner for the first time, and all the time I was married to her she worked in a museum. A museum is Pevsnerland. Everything is neatly docketed, and labelled, sorted out and catalogued, acquired and accessed, laid out in rows or put in reserve, is that not so? Well, up to a point, Lord Copper. The fact is that behind the quiet façade of the display cases and uniformed wardens there is as much blood spilt as anywhere else in the human jungle. Behind the doors marked PRIVATE or STAFF ONLY there are rivalries and vendettas, backstabbing and eye-gouging, which are all the more shocking for taking place in a museum. There are people who think they should be heads of department, there are acts of favouritism which breed

years of resentment, there are new directors bringing their protégés with them...

"One day I should like to write a TV comedy set behind the scenes at a museum," I said to my first wife, "bloodstains and all."

"They'd never believe you," she said. I think she may have been right.

Now, for the first time in ages, I have taken down my two remaining Pevsner volumes from the shelves and what strikes me as strange about them as I reread is how full of things they are and how empty of people. In Pevsnerland, houses last, but people die. An architect is a dead name but a church is a living thing. All the important people in Pevsner are dead already – the living people are merely owners who may or may not help Pevsner with his inquiries into the odd elongated two-light windows. As I said, it is a cold world. Somewhere else things are going on, somewhere behind a door marked PRIVATE is the world of flesh and blood, but in Pevsnerland everything is cold and made of stone. I am not entirely sorry to be out of it.

Don't let them tell you it doesn't matter who wins

The intelligentsia (or chattering classes, as the right-wing press prefers) has always had a tricky love-affair with Labour. The left-leaning denizens of Hampstead, and indeed every other well-heeled intellectual coterie in the land, have wailed and gnashed their teeth over the last 18 years, watching the Tory vandals asset-strip society. How they have prayed (well, no, they don't pray) for the moment the headless horse would be routed from the citadels of civilisation.

So, here we are. Now, at last the time has come. Major and his straggling band of warring warlords are about to be blown away. The trumpets of young Fortinbras are sounding at the gates. His fresh-faced, well-disciplined army, hungry for government, will make a bloodless and triumphant entry on to a stage littered with the dead and dying who have fallen not at an enemy's hands, but under one another's swords and poisoned chivalries.

Where, then, are Labour's camp followers, the intelligentsia? Are the champagne socialists popping their corks? No. Wherever I go I find them infuriatingly grudging. They disavow Blair's triumph ages ago and now they affect a blasé indifference to the outcome of the election. "What's the point? Who cares? They're all the same."

They hate Blair: his smile and his hair, his churchiness, his fiscal and his moral rectitude, his shameless writings in the *Daily Mail* and *The Sun*. They hate his clothes, and even his guitar.

They hate his wife for her dumping-down guest-editorship of the cookie-baking housewives' magazine *Prima*. They hate his children for looking too good and going to the wrong schools. I keep running into cognoscenti who claim that, through a friend of a friend, they know he has reverted to his father's Tory values: the staid pull of Fettes is just too strong. They know Cherie's Catholicism is his true guiding light. They know he has sacrificed everything in a Faustian pact with Murdoch *et al*: if the Tory press are his friends, then he must be our enemy.

Then, over the next glass of frascati, they will recall the days of the Wilson government and how he, too, betrayed them. In 1964, early days of hope and glory, they embraced Labour in the salons, the posh galleries and senior common rooms. What happened? Wilson backed the Vietnam war and disgusted them with his pragmatic lack of principle. At least, though, in 1964 they waited for Labour to be elected before they turned disillusioned.

I find myself getting wistful and snappy with them. What do they mean? After 48 years, imagine the shock of a new government. Just watch the Pickford van turn up at No 10 like a turnbrel, with tea chests to sweep away John's and Norma's goods and chattels. See each keen new Labour face pose for a moment on the threshold of a new ministry before plunging in to greet a civil service most of whom barely remember a change of government. Don't underestimate change for change's sake. And that is before we consider Labour's constitutional reforms: Scotland, the Lords and proportional representation.

That's not all. Let's start with the basics: how will the poorest people do? (Remember them?) If Labour's minimum wage is set even at a miserly £3.50 an hour, 4 million very poor workers will benefit - nearly 16 per cent of the



Polly Toynbee
Commentator
of the Year

The frascati crowd may have already written off a Blair government, but the poor (remember them?) will be better off under Labour

workforce. If Labour raised it later to £4, then over 23 per cent of the workforce would benefit - 6 million poor people. Is it just because this policy has been knocking around for so long that people seem bored by it?

What have 18 years of Tory government done to the poor? Tripled their numbers: three times more people now live on incomes below half national average earnings. Many more have become actually poorer, not just relatively poorer: while average incomes under the Tories rose a feel-good 33 per cent, the disposable incomes of the poorest 10th fell by 13 per cent. The gap between the richest 10th and the 10th poorest was at its lowest this century under the last Labour government, and now it is at its highest for at least 100 years. Those are some of the worst scars of the Tory years. Do the cynics really believe that Labour will not improve these figures?

Well, ask the cynics, how exactly are Labour going to do that? Show us the colour of their money. Gordon Brown has bound himself in iron chains and locks, has put himself into a canvas bag and is hanging upside down from a crane to show how firmly he will stick to existing spending plans for the next two years. What is he, Houdini? According to the Institute of Fiscal Studies, the spending plans for every department are a calamity - with health and higher education the worst sufferers, cut more deeply than ever before. Kenneth Clarke never meant to stick to those figures:

The Red Book was just his little joke, a rubber Eminentia cheese full of holes. Imagine Clarke's glee when Brown chained himself to its every mendacious word.

So, where's the money coming from? At this point we leave the realms of what's on the record, of public pledges, of party manifestos. Instead we have to read their lips and trust that they are lying through their teeth.

If you stop and think about it, it is much easier to believe they are lying than that they are telling the truth. After all, we know all politicians lie at election time, so what's new? The difference is that they used to lie by promising wildly extravagant spending delights we all knew were impossible. Now both parties lie the other way round, promising preposterously stringent spending that they cannot possibly stick to. Despite Brown's impressive feat up there, dangling from his crane, do you really believe he will destroy the NHS, education and social services in the next two years?

Everyone is busy second-guessing what Brown's clever money-raising wheezes might be: £3bn by stopping mortgage interest tax relief, £3bn on the married couples' allowance, £2bn by making self-employed pay the same National Insurance as the rest, £5bn by taking tax exemptions off pensions. We could save £16bn on the planned 232 new Eurofighters, whose contracts we have not yet quite signed. Blair has sworn to stick to present defence spending, but do you really, really believe him?

Oh I see, say the cynics wearily, are you saying Vote Labour Because They're Lying? Well, yes. I find it is easier to believe they are lying than that they are telling the truth. If Gordon Brown is not Harry Houdini, if he doesn't have tricks for breaking out of his self-imposed chains, then as Chancellor he'll be dead in his bag before long.

Thatcher's spectre still haunts the feast

by Donald Macintyre

Her sworn enemies may like to think of her as a Mrs Rochester, lurking in the attic. But she remains one of the dominant figures of the late 20th century. She is still capable of casting her long shadow over the election campaign, as John Major implicitly admitted yesterday outside Downing Street when he clarified that he would be fighting less on his own six-year record than on the whole 18 since she came to power.

Lady Thatcher still makes news, which is why she made her brief appearance on a Belgravia doorstep to endorse the Conservative Party and Mr Major yesterday. It was the least she could do in the face of increasingly persistent evidence that she has been saying in private words to the effect that Tony Blair is a patriot and wouldn't do Britain down. Her core message was clear enough. But her exhortation to "stay with us and Prime Minister Major until we cross the finishing line" bordered on the gnomic. She did not quite explain what she meant by saying "Mr Blair is different from Prime Minister Blair". And she did not deny outright, as she had the opportunity to do, accounts of her private musings.

But even if she had, we have *Tribune's* report, less than wholeheartedly dismissed, that the editor of *The Times*, Peter Stothard, had Thatcher in mind when he quoted a very senior Conservative along those lines. We have the explicit word of the journalist, Thatcher disciple and Blair convert Paul Johnson that that is what she thinks. I am now told that at two private dinners, one in New York for Nancy Reagan and another recently for a distinguished statesman in London, she said something pretty similar. This is beginning to look anything but a chance slip of the tongue.

So why should all this matter? First a gigantic health warning: Blair has never been ashamed about paying tribute to the big economic changes Thatcher made: including trade union reform, which Labour had tried and failed to do a decade earlier, and privatisation, which it had never even dreamt of. But he has never disguised his view that she failed to see the price the country was paying in the social decay, poverty and hopelessness suffered by those whom Major admitted on Saturday were the "have-nots". Blair has never shared Lady Thatcher's brand of tribalism, so clearly expressed when Peter Walker suggested to her those council houses should be given them: "What will our people say if we give their people their houses? She did not like the term 'one nation'.



Blair has never been ashamed of paying tribute to the economic achievements of Thatcherism ... But Major must defend the whole 18 years, the bad with the good

Rather unusually, both are interested in ideology. Both are, to co-opt a phrase of Tony Benn's, teacher-politicians. Both wanted to eliminate old-style socialism. And in doing so she as well as he probably did a lot to save the Labour Party from itself. Blair among Labour politicians saw her strengths most clearly: when she fell in 1990 he actually thought the Tories had made an error by getting rid of her. And on Europe, the issue which Lady Thatcher presumably has most in mind and on which she has therefore covertly done him the greatest service, she appears correctly to have identified that he is not a seller-out. Which is understandable: the sceptical tone of Blair's article in *The Sun* yesterday, drawing coveted approval in the paper's editorial, locates him, roughly speaking, as mid-period Thatcher. (About the time when she negotiated the hugely

favourable British rebate at Fontainebleau and well before she lost her rug at Rome II.) Even the pro-European in Blair recognises that some of the criticisms sceptics make of the EU are actually true. It may also be that Thatcher recognises a potentially hegemonic figure when she sees one. David Willetts, one of the Major regime's chief theoreticians, told an audience in Bath last week that Blair was embracing the ideas of West European social democracy just when they were being abandoned in continental Europe. That has an elegant ring to it, but it is not quite right. Social Democrats in Germany, France, and elsewhere are now gripped by the Blair saga precisely because they believe he is answering the question they have failed to answer: how to be a successful party of the centre-left in non-corporatist, deregulatory, free-trading times. If Blair wins it will have as energising and modernising an effect on the European left as Thatcher did on the

free market right. He will have leap-frogged European social democracy.

Major's role as legate, despite yesterday's endorsement, is more complicated. He too is different from Thatcher. He has seriously attempted to make a fresh start in Europe. He genuinely wanted a "nation at ease with itself". He resisted turning the Gulf War into a party political issue before the 1992 election. And he is commendably resisting pressure to make immigration one now.

But Major is imprisoned by a past which he failed to escape when he took office. He never made, perhaps could not make, the big party conference speech

in 1990 which might have said: "We got many things right in the 1980s but we got a lot wrong too. This is a new government, with a new approach." The price he pays is to have to defend the long 18-year record of this government, the bad with the good. He cannot pick and choose. Blair can.

And "time for a change" becomes all the more forceful an argument for his opponents when it is applied not just to the six years for which Major has been in office. That is one reason why it now looks as if those - Essex man, Worcester woman and Ford Sierra owner - who went directly from Labour to Thatcher's Conservatives in 1979 have retraced their steps. Another is that Blair's transformation of Labour makes him look a leader like her and not a manager like Major. All of which she may realise when she pays him those compliments from time to time. She is an honest woman - will she be able to resist saying so publicly if and when Blair wins?

Voters are too insecure to feel good

Whatever happened to the feel-good factor? It has been taken as gospel by politicians that if the country is prosperous and the voters' spending power is rising, as is the case, then the government that has brought this about will be re-elected. This is one reason why John Major has deferred calling the election until he is within weeks of the completion of his five-year term. He has wanted to give the maximum time for the economy to rebound from the last recession and to grow so that voters would feel ever more cheerful and re-elect the Conservatives for reasons of prudence, if no other. Indeed the main objective of the Chancellor of the Exchequer, Kenneth Clarke, has for some time been to create a backdrop to the election in which the economy is expanding (it is), unemployment has fallen substantially (it has), inflation is subdued (never more so) and house prices are buoyant (another tick).

The actual situation is not just that recovery from recession is complete but that the British economy is better placed than it has been for a long time. If you look more broadly than at the statistics for growth, inflation and personal income, you see that in infrastructure, in the education and flexibility of the workforce, in the skills of management, in efficiency of



Andreas Whittam Smith

The old link between successful economic performance and the prospect of winning at the polls has ended

public services, the United Kingdom has closed much of the gap with its international competitors. According to the Social Market Foundation, in a study published yesterday, the UK's economic decline relative to other European countries may have ended.

This is an achievement for Conservative management of the economy since 1979, and of historic importance. It does not rank with winning the Second World War, but it is big. Yet the opinion polls unanimously and unwaveringly indicate that the electorate is going to hurl the present government out of office. No doubt there are many reasons, but what is undeniable is that people are feeling neither good about the economy nor grateful for its performance. Why should this be so?

Contrary to all expectations, a low-inflation economy turns out to be an uncomfortable experience. Throughout the great inflation of the Sixties, Seventies and early Eighties, stable prices were held out as a golden prospect where all the tensions associated with the rising prices, strikes and the like would be calmed. Savings would be encouraged and investment would flourish as the uncertainty caused by inflation vanished. Indeed industrial stoppages have virtually disappeared and savers are

doing exceptionally well. But in the event the means required both to reach low inflation and prevent its recurrence are brutal and the disciplines it imposes are unpleasant.

We find that governments cannot easily raise their budget deficits above trend, because international investors decline to hold the debt of the country concerned and the exchange rate declines. As a result, either the axe is taken to public spending or services are privatised or contracted out. At the same time, an era of low inflation removes from business the old escape route of raising prices when costs get out of control. Instead business finds itself subject to sporadic price cutting, as newspapers and book publishers have discovered. Increased prices will not stick. Something has to give, and it is employment.

The fear of losing your job remains acute even though fewer people are claiming unemployment benefit. This insecurity pervades the ranks of management quite as much as it affects the factory floor or the warehouse or the vast open-plan offices full of men and women working at desk-top computers. Any industrial company, any high-street bank, any local authority, any government department, any charity, any educational establishment, any research laboratory, any

branch of the armed services can suddenly announce a restructuring that extinguishes hundreds of jobs. Job security has vanished, along with notions of life-time employment or working for 40 years at the same company and collecting a full pension. As well as this general fear, there is an extra concern for many people - will their sons and daughters find jobs? Before employers make long-serving staff redundant in some down-sizing process, they first stop recruiting. The statistics for youth employment remain grim.

Whether the growing disparity between a few, highly paid executives and the rest is getting to people and affecting their political attitudes, it is impossible to say. What do the ordinary staff of National Westminster Bank, faced as they are with a series of job-cutting programmes, think about the activities of the dealers of NatWest Markets where the chief executive, Martin Owen, who has presided over a £90m draling loss, has agreed to forgo £200,000 of a £500,000 bonus as "an act of leadership". Apart from Mr Owen, a further handful of senior executives at NatWest Markets will together lose a staggering £8m of bonus payments.

If declining unemployment figures have masked a loss of job security, rising house prices

have also changed their meaning. This is because the unexpected collapse in house prices during the early Nineties was traumatic. The nightmare of finding that your house was worth less than your mortgage, the so-called negative equity trap, will remain in the memory of house owners for a long time. The episode has permanently reduced their confidence in property. When houses values improve nowadays this is seen as limited good news. What can rise can also fall - except that for generations, home owners believed that they were exempt from this iron law of the market place.

In effect the arrival of low inflation means that uncertainty has been transferred from savers to people at work. When Eddie George, Governor of the Bank of England, announced a few days ago that retail price inflation would fall below the Government's target of 2.5 per cent this year, it was superb news for savers and pensioners, and for the country over the long term, but it was of no particular comfort to the business community or their employees right now. And as Mr Major may well discover on 1 May, this change has the further consequence that the old, reliable relationship between the performance of the economy as a whole and voting intentions has come to an end.

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Election campaign to unsteady markets

Diane Coyle
Economics Editor

The financial markets reacted in time-honoured fashion to the prospect of an election campaign by sending the pound, gilts and share prices tumbling yesterday.

"It was a bit of a knee-jerk reaction," said Brynwyn Curtis, an economist at City investment bank Nomura. But she warned that the next six weeks would bring more volatility. Sterling lost more than three

pennings against the Deutschmark, falling to its lowest level for six weeks, but also fell two cents against a weaker dollar. It ended at DM2.6840 and \$1.5875.

The FTSE 100 index closed down nearly 51 points at 4,373.5. Its fall was exaggerated by more than 22 points because of the unusually large number of share prices excluding dividends from yesterday as their payment date approached. Long-term gilts ended nearly a point lower.

A weak start on Wall Street also helped propel shares in London lower. The Dow Jones index was down 55 points at 6,880.70 by mid-morning.

In a remarkable contrast to the City's traditional attitude to the party, most analysts reckon New Labour can be trusted. "Over the years there has been a feeling that Labour has become a lot more user-friendly as far as the City is concerned," said Neil MacKinnon, chief economist at Citibank.

"There is just a residual fear

about what a Labour government might do," said Gerard Lyons at DKB. But he predicted that any narrowing in the party's poll lead would fuel currency jitters because investors expect higher interest rates and a tougher budget if Labour beats the Conservatives.

The wave of important economic data due this week also contributed to yesterday's nerves. Figures due today for government borrowing in February are expected to be favourable thanks to the strong

economy, although any sign of an end-of-year surge in public spending could hit gilts.

Figures due later in the week on unemployment, earnings, retail prices, retail sales and industrial trends will be closely scrutinised for any signs of unsustainably fast growth or inflationary pressure.

House prices have continued to rise, according to a survey from the Royal Institution of Chartered Surveyors yesterday. It said a north-south divide was re-emerging, with a short-

age of properties inflating prices in the south.

"Nowhere is the north-south contrast sharper than in London and its environs where City bonuses – of a magnitude last seen in the 1980s – are helping to inflate prices in sought-after areas," the report said.

Although no analysts expect the Chancellor, Kenneth Clarke, to take the last pre-election opportunity to raise borrowing costs, after his 10 April meeting with the Governor of the Bank of England, this

week's figures could affect the chance of a move straight after the 1 May election.

"The assumption is that Gordon Brown would take Bank of England advice to increase interest rates in order to establish his credibility. Labour is not expected to unveil any nifty surprises on economic policy," said Mr Lyons.

Most of the big international banks and finance houses based in the City see the election campaign as a little local difficulty.

Some currency experts predicted a more difficult ride for the pound, however, because of evidence that the German economy has turned the corner. Greater optimism about the outlook for the Continent's traditional economic powerhouse contributed to the Deutschmark's strength yesterday despite continuing uncertainty about prospects for EMU. Figures due this week are expected to show improved business confidence and retail sales.

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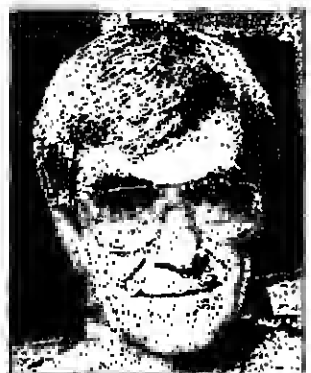
Pearson to pump £150m into 'FT'

Patrick Toohar

Pearson, the media and leisure conglomerate under new management, yesterday unveiled plans to spend up to £150m on its flagship *Financial Times* newspaper over the next five years as it reported sharply lower profits due to the recent discovery of improper accounting at its Penguin book publishing subsidiary in the US.

Richard Lambert, currently the longest serving editor on Fleet Street, is moving to New York for a year from July to oversee editorial developments for the *Financial Times* in the US. Andrew Gowers, deputy editor, becomes acting editor. There was disappointment in the City yesterday, however, that Marjorie Scardino, chief executive, did not unveil the widely expected restructuring of Pearson and the company's shares closed 17.5p down at 756.5p.

"It's going to be an evolution, not a revolution around here," she said. "This may sound like motherhood and apple pie but we are going to act like a group not like an investment portfolio. "Whatever else we do we are going to work hard to improve the financial performance of this group," she continued. "As time goes on we may change the business we're in, too, as we work



Richard Lambert: Moving to New York for July

toward being the first in a few important markets. But we won't be selling things just to be tidy." Ms Scardino was speaking after Pearson posted an 8 per cent increase in 1996 pre-tax profits before exceptional items to £281m. But operating profits including one-off items fell from £260m to £181m following a £100m charge taken against Penguin.

The problems at Penguin were uncovered in January and relate to unauthorised discounts given by a middle-ranking back office employee, Christina Galatro, to customers in return for early payments.

John Malkinson, finance director, said Pearson believed the

irregularities were the work of "one rogue employee", adding there was no firm evidence of collusion. Her superior had been suspended as a precaution pending the outcome of an investigation by accountants Price Waterhouse.

The *FT* is targeting the US as part of plans to invest up to £100m over the next five years to increase the paper's circulation overseas. A further £50m could be spent on promoting the *FT* and on enhancing production in other Pearson information companies, many of which carry the *FT* brand.

"We aim to achieve heroic circulation and heroic profit," said Ms Scardino.

North America accounts for only 35,000 of total daily *FT* sales overseas of 130,000. Total circulation for the paper, including the UK, is about 300,000.

Analysts welcomed Ms Scardino's decision to focus on the *FT*. "She's going back to what she knows, it's something she understands," one broker said. Ms Scardino ran *The Economist*, 50 per cent-owned by Pearson, before becoming chief executive.

Ms Scardino also quashed speculation that its television business, which includes Thames Television and Grundy, makers



No revolution: Marjorie Scardino (above) disappointed the City by not unveiling a widely expected restructuring

of *Neighbours*, was about to be sold to a £500m management buy-out team led by Greg Dyke. She declined to identify Pearson's activities, raising speculation that Lazard's, the 50 per

cent-owned merchant bank, or even Madame Tussauds, the waxworks tourist attraction, may be up for sale. However, Ms Scardino confirmed recent reports in *The Independent* that

residual stakes in pay-TV broadcaster BSkyB and SES, the Luxembourg-based Astra satellite owner, were up for sale.

Pressure for root-and-branch change at Pearson has increased

since the disastrous, £131m acquisition in 1994 of Mindscape, the US computer software developer, where losses last year reached £45m.

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Luard in line for £6m windfall as Flextech signs BBC deal

Patrick Toohar

Roger Luard, chief executive of Flextech, was yesterday in line to net more than £6m from the sale of shares and the exercise of options as the satellite and cable broadcaster announced details of its pay-TV joint venture with the BBC. He will also receive a £250,000 bonus on completion of the BBC deal.

BBC Worldwide, the BBC's commercial arm, stands to gain income of more than £600m from the launch of up to eight pay-television channels in Britain and abroad within a few years, according to TCI, Flextech's US parent.

The deal with Flextech to develop the subscription channels marks the BBC's most significant step in commercial broadcasting.

But deputy director general Bob Phillips, chairman of BBC Worldwide, insisted there was no risk to licence payers' money and that commercial advertising would not be associated with the BBC brand.

"I want to make it quite clear that where programmes are funded by the licence fee, they will always, always be seen first on BBC1 or BBC2," he said.

The deal involves the creation of two joint ventures to combine the BBC's archive, scheduling

and production skills with Flextech's funds and multi-channel TV management and marketing knowledge. The vast majority of the programmes will be repeats, though some joint programme production is envisaged a later stage.

The main deal will be to develop and launch mainly digital new pay-television channels in Britain. The second involves buying out and developing in analogue, and later in digital formats. Flextech and BBC Worldwide will take a 50 per cent stake in the two ventures for up to 30 years. The service will be rolled out later this year. Flextech is contributing £22m

of equity and can make £118m in credit facilities available. Flextech, which also reported virtually unchanged pre-tax losses before exceptional credits of £199.6 of £16.8m, is buying out pay-TV channels UK Gold and UK Living by issuing 35 million shares to its owners, media groups Pearson, America's Cox Communications and BBC Worldwide. The deal is worth about £270m and values UK Gold at about £210m and UK Living at £104m.

In return, Cox, Pearson and BBC Worldwide will take a 13.3, 5.6 and 3.5 per cent stakes respectively in Flextech. It is believed to be the first time the



Roger Luard: £250,000 bonus when deal is done

BBC has taken a direct equity stake in a quoted company.

Mr Luard plans to exercise options granted at 92p over 600,000 shares and sell these, together with over 305,000 shares he already holds. Last night shares in Flextech closed down 21p lower at 751p.

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Toyota looks at French factory

Michael Harrison and Richard Lloyd Parry

Toyota yesterday confirmed it was studying the possibility of building a £1bn car plant in northern France but industry analysts were divided over whether it was the best location for the Japanese car maker to expand.

Responding to reports that the plant may be built on the outskirts of Lens, a French town close to the Belgian border, a Toyota spokesman in Tokyo said: "France is a possibility, but so is Germany or the UK. We are still studying the possibilities and nothing has been decided."

If the factory to produce 300,000 small Micra-class cars does go to France, it will be a bitter blow to Toyota's Burnaston plant in Derbyshire. Output from Burnaston is due to rise to 200,000 next year when it begins production of a second Celerio model, lifting the workforce from 2,300 to 3,000.

Reports that the plant may go to France follow comments earlier this year by the president of Toyota, Hiroshi Okuda, that it would have to review its European investment strategy if Britain stayed outside a single currency. However, analysts said yesterday that Toyota could as easily site the plant in Bel-

gium or central Europe while other industry watchers believed the UK had not been ruled out, pointing to France's high labour costs and traditional hostility to Japanese carmakers.

Christopher Redl, an analyst at ING Barings in Tokyo, said France seemed the favoured location: "I heard about this last week. At the time I could hardly believe it. But my understanding is that this comes from the top."

However, Koji Endo, a senior vice president of Lehman Brothers Japan, said: "Logically, the possibility of a Toyota plant in France is very weak. Eastern Europe is better in view of low production costs, parts sourcing and a potentially sharp growth in the car market there."

Garel Rhys, professor of motor industry economics at Cardiff University, said: "The question for Toyota is whether they want to put all their eggs in one basket. As Nissan has done, France is interesting but so is Belgium and central Europe and although a second plant at Burnaston is not the racing certainty it was there is still everything to be played for."

Argos, the catalogue retailer which shocked the market with a profits warning in January, said it was prepared to spend up to £1bn on a UK acquisition.

Mike Smith, chief executive, said he had a list of targets in the toys, electronics and jewellery markets, though he was not in any talks. He would not comment on possible interest in the Littlewoods high street stores which were recently put up for sale, or in the British jewellery businesses of Signet, the H Samuel and Ernest Jones retailer with which it has been linked in the past.

"We would be prepared to look at turnarounds or at something in the furniture, sports or leisure markets," Mr Smith said.

Argos still has £114m of net cash after last year's £127m special dividend. Mr Smith said Argos would consider returning cash to shareholders if no suitable acquisition target could be found. He was speaking as Argos announced a 14 per cent increase in pre-tax profits to £141m. Mr Smith also detailed the reasons behind the January profits warning which was then attributed only to a pre-Christmas sales slowdown.

The company said sales in its key markets of toys, electricals and jewellery were down due to a decline in the market. However, Argos said it had grown its market share in those sectors.

It also said it had made mistakes in its pre-Christmas staffing policies. Temporary staff had been hired too late and given inadequate training. This led to longer queues at tills and a higher level of "walkaways" where customers gave up waiting and went elsewhere.

Argos said sales in toys, electricals and jewellery had recovered strongly and were showing double-digit like-for-like sales increases. Group like-for-like sales are currently 7 per cent ahead.

Argos is set to expand in Holland and will open five stores there next February. Start-up costs will be around £5m this year.

Thirty-eight stores were opened last year, taking the total to 404. There are now 10 Call & Collect outlets where customers call to place orders and collect the goods the following day. Two further First Shop stores have been developed as Argos tests the concept of selling electrical goods and consumer durables at lower prices.

The shares closed 9.5p higher at 648.5p.

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M&S – the Man Utd of British business

Roger Trapp

To lifelong football fan Sir Richard Greenbury, this year's Quality of Management Awards were a dream come true that put him on a par with his beloved Manchester United.

The accolade presented to him yesterday gave the Marks & Spencer chairman a hat-trick of wins, while receiving the corporate governance prize for the second year running also

brought back-to-back doubles.

But it is not just that M&S can be seen as the Manchester United of British business. British Airways and Glaxo Wellcome, placed second and third respectively, might, in view of their consistency, be termed the equivalents of Liverpool and Arsenal. Last year, Glaxo was second and BA third, while the year before BA was third behind BTR. In 1993's inaugural year the industrial group pre-

vented M&S from making a clean sweep by knocking it into second place ahead of Glaxo.

Since the awards were begun by market research company Mori and management development centre PA Sundridge Park only one other company has featured. ICI won the first quality of governance award in 1994.

The apparent dominance of such a small group led Gavin Barrett, director with Sundridge Park, to remark that there was

an "awe-inspiring gap" between them and the pack. One of the objectives of the awards – decided by captains of industry, City institutions and business journalists voting on such criteria as strategy, leadership, brand development and career management – was to identify in which areas British industry as a whole needed to improve.

Evidence of the winning companies' all-round strengths was demonstrated by the fact that all

were impressive in traditional financial terms. The portfolio of the top-performing companies significantly outperforms the rest of the stock market in such areas as returns on operating cash and market value.

Sir George Russell, chairman of ICI and presenter of the awards, said the focus was on "sustainable creation of shareholder value, arguably the largest piece of unfinished business in UK plc".

STOCK MARKETS									
FTSE 100									
Index	Close	Week's chg	Change (%)	1996/97 High	1996/97 Low	YTD High	YTD Low	YTD Chg	YTD %
FTSE 100	4424.20	+4.0	+0.1	4444.30	3692.30	3.54			
FTSE 250	4707.80	-6.0	-0.1	4729.40	4015.30	3.36			
FTSE 350	2184.40	+1.0	+0.0	2194.30	1816.60	3.58			
FTSE SmallCap	2365.20	+2.5	+0.1	2374.20	1954.05	2.90			
FTSE All-Share	2154.51	+1.1	+0.0	2183.94	1791.95	3.53			
New York	6914.30	-86.6	-1.2	7085.16	5032.94	1.93			
Tokyo	17923.64	-275.1	-1.5	22666.80	17303.65	0.901			
Hong Kong	12736.53	-600.8	-4.5	13868.24	10204.87	3.301			
Frankfurt	3369.29	-16.9	-0.5	3480.64	2253.36	1.501			

Statistics as of 17 March

INTEREST RATES									
UK interest rates									
US interest rates									
Money Market Rates									
Index	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	4 Year	5 Year	10 Year
UK	6.00	6.50	7.24	8.10	7.43	8.22			
US	5.41	5.97	6.70	6.94	6.95	6.66			
Japan	0.41	0.47	2.21	1.78					
Germany	3.13	3.31	5.72	6.49	6.49				

Source: Merrill Lynch

CURRENCIES									
£/\$									
\$/DM									
Pound vs.									
Index	Close	Week's chg	1 Year	3 Year	5 Year	10 Year	20 Year	30 Year	40 Year
\$ (London)	1.9009	-0.0038	1.5245						
\$ (New York)	1.8019	-0.0020	1.5275						
DM (London)	2.7203	-0.034	2.2423						
¥ (London)	197.527	+1.842	160.578						
¥ (New York)	197.2	-0.9	83.2						
\$ Index	97.2	-0.9	83.2						

Source: Merrill Lynch

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Sanguine markets must look again at Labour

The challenge for the financial markets during the six-week slog to polling day may be to stay awake as much as anything else. A Labour victory has been so heavily discounted and the money election campaign has been running for so long that it will take more than the spice of John vs Tony, live and in debate, to prevent eyelids closing on the dealing desks.

Nevertheless, Mr Major has clearly determined that the long haul - 45 days at the hustings, the longest election campaign this century - is the best route to staying in power. That's time enough to expose Labour's financial illiteracy and fiscal irresponsibility while allowing a steady flow of good economic news to filter through.

The initial reaction from the markets might suggest that his strategy has got off to a good start - the pound down against the Deutschmark and dollar, gifts off half a point and the Footsie tumbling by more than 50 points as the prospect of Tony Blair's first cabinet looms large. Like most knee jerk reactions, however, this one may well prove wrong.

Adjusting for the number of stocks going ex-dividend, the response from the equity markets to the naming of election day was less marked than that from the foreign exchanges. In the event that Labour does form the next government, it ought to be the other way around.

Gordon Brown has banged on for so long about fiscal rectitude, balanced budgets,

low inflation and the need to cost every spending pledge, that it is difficult to get a cigarette paper in between the two main parties on macro-economic policy. If an incoming Labour government does find itself confronted with a sterling crisis, it is more likely to be about how to control sterling's rise than prevent it from falling through the floor.

The outlook for the corporate sector is much less promising. Labour's pledge not to raise either the basic or high rates of tax looks ominous. The obvious target now that these avenues have been closed off must be companies, since neither companies nor the pension funds that provide their capital possess votes.

So far the only tax-raising pledge is the windfall levy on the privatised utilities. But will a Labour government be able to resist fiddling with corporation tax? And will a Labour government be able to resist further restricting, perhaps even abolishing the tax credits that exempt funds engaged on dividends?

If the latter were to happen then it would take a 10 per cent correction on the equity markets to maintain current yields. The markets are perhaps being more sanguine about the prospect of a Labour win than they ought to be.

Flextech or the BBC - who's got the better part of yesterday's deal to com-

mercialise the BBC's output of programming? Flextech puts up all the money but the BBC provides all the programming. The question is which is the more valuable? For choice, the BBC would plainly have wanted to do the whole thing itself, and but for the idiocy of policy makers when they last rewrote the charter, it would be able to. As it is the BBC is prevented from borrowing anything or putting up any part of the licence fee as risk capital.

In order to commercialise its product and enter the fast growing subscription TV market, then, the BBC has to rely on external sources of capital: some part of its birthright is to be ceded, and quite a birthright it is too. The Flextech joint venture gets first call for digital subscription TV on all new programming produced by the BBC as well as its vast archive. This is something that over the years has been paid for by the British public out of the licence fee and its value is pretty much incalculable. All that we do know is that it must be worth a very large sum of money.

What this deal with Flextech means is that half of any money earned from the BBC's programming via subscription TV will in future go to an outside party. Flextech's input is its marketing acumen (which given that the company has never made a profit must for the time being be viewed as of questionable quality) and up to £130m of equity and debt. For many of us, that might seem like a rather small price

to pay for all those billions of pounds worth of licence fee investment.

Both the BBC and Flextech, moreover, believe the venture will prove highly lucrative. For all we know the licence fee may by then be a dim and distant memory by the time this agreement is up for renewal thirty years from now and it will all be subscription TV and video on demand. In those circumstances, the deal with Flextech will look like even more of a giveaway.

The upshot is that to view this deal as the BBC getting half of something for nothing is probably the wrong way of looking at it. A better way would be to say that the BBC is, in fact, giving away a highly valuable commodity for next to nothing. But if this is what is happening here, it is because the poor old BBC doesn't have any option. In the circumstances it has probably done as good a deal as it could have hoped for.

Shortly before Marjorie Scardino took charge at Pearson she told a colleague, in no uncertain terms, that things needed shaking up at this sleepy old media conglomerate. She summed up her strategy by quoting her compatriot, General Douglas MacArthur: have a good plan, execute it violently, and do it today.

Just 49 days into her new job, and Ms Scardino seems to altered tack a bit. Evolution, not revolution, she insists will be her guiding principle in the long campaign to

improve Pearson's lot. This is much more in tune with the old way at Pearson and some in the City will no doubt be disappointed by it. But there may be something in it. Whether investors are prepared to give her the time she needs for the evolutionary approach to work remains to be seen.

The £150m investment in the FT plainly makes sense. The pink un's strong brand name is an obviously under-exploited asset, particularly overseas and especially in the US, where it ought to be selling far more than the 35,000 copies it shifts at the moment. The FT very much falls into the category of 'old media' but at least it is a business Ms Scardino and the rest of the Pearson board understand. The same cannot be said of Minskape.

In any case her plan to imitate Gen MacArthur may be more than just empty rhetoric. Ms Scardino won't specify which businesses she plans to sell in her drive for more focus, but it is clear she is looking at companies where Pearson does not have a controlling stake. This would include BSkyB, where Pearson still has a 4.3 per cent stake, and SES, the six per cent-owned Astra satellite group. But it might also take in Lazard, a previously sacrosanct investment.

These three disposals could raise up to £1bn for Pearson - enough to buy Ms Scardino the time she needs to answer her critics. Until then the City should defer judgement.

Forsyth acquitted of Polly Peck cash handling charges

Graham Ball

Elizabeth Forsyth, jailed for five years for handling cash allegedly stolen by her boss, Asil Nadir, walked free from the High Court yesterday.

Last April Mrs Forsyth, 60, was convicted on two counts of handling £400,000 that the prosecution claimed was stolen during the collapse of Asil Nadir's £1.3bn fruit to electronics business empire, Polly Peck International.

Mrs Forsyth, Mr Nadir's closest business associate in London, spent 10 months in jail and was released on bail at the start of her appeal in January.

Yesterday after her conviction was quashed and she was awarded costs estimated at more than £1m, she said: "This has been hanging over my head for seven years now. I believe the Serious Fraud Office tried to ruin me."

Her acquittal joins a list of embarrassing setbacks in court for the Serious Fraud Office that include Maxwell, Guinness II, Guinness IV, Brent Walker, Blue Arrow and the notorious Roger Levis case. In defence of its record, the SFO claims that of a total of 349 defendants 219 had been convicted and that at least one defendant, usually the principal



Asil Nadir: 'Ready to return to UK for a judicial inquiry'

offender, was convicted in 75 per cent of the cases brought.

Mr Nadir was in defiant mood yesterday when he heard of his former colleague's legal victory. Speaking from his office in the Turkish half of Nicosia in Cyprus, he said: "I am delighted at the news. Now all that is required is for a judicial inquiry into the handling of this whole matter and I'll be back."

Mr Nadir flew to Cyprus by private plane in May 1993 after a two and a half year SFO investigation had produced charges that he had stolen £30m from Polly Peck and had taken part in false accounting exercises. However, the appeal court

found that the judge in Mrs Forsyth's original prosecution, Mr Justice Tucker, had misdirected the jury.

At the appeal court yesterday Lord Justice Beldam, sitting with Mrs Justice Bracewell and Mr Justice Mance, took just 10 minutes to deliver the delayed verdict, although the written account of their deliberations ran to 50 pages.

Outside the court Mrs Forsyth, who has been supported by her 90-year-old mother and son Ian McAlpine said: "I hope the SFO offers compensation for 10 months' wrongful imprisonment. If they don't I shall take legal advice as to how to secure appropriate compensation. My conviction was not quashed on technical grounds, the appeal judges clearly thought that this was a scapegoat prosecution."

Mrs Forsyth plans a short family holiday in Scotland. But yesterday within 30 minutes of the judgment she had phoned Mr Nadir in Nicosia, northern Cyprus, to relay her good news. "He was delighted on my behalf and I expect to go out to visit him on a business trip within the next month or so," she said.

"I believe Mr Nadir will ultimately be vindicated and that investors in Polly Peck will be properly compensated."



Delighted: Elizabeth Forsyth yesterday after a court overturned her convictions. She said she hoped the SFO would compensate her for 10 months' wrongful imprisonment

Lang speeds up gas price competition

Chris Godsmark
Business Correspondent

A further 2.5 million homes could be able to choose their gas supplier in October, accelerating the move towards full domestic competition by as much as six months, the Government said yesterday.

However, it also emerged that about 1,500 households in the latest competition trial in Kent and Sussex, which began earlier this month, have complained about problems with the process, casting doubt on whether an accelerated national programme would be trouble-free.

Ian Lang, President of the Board of Trade, announced changes to the existing legislation, which said national competition cannot start before 1998. The provisional timetable involves the next phase, including Scotland into North-east England, beginning in the autumn with five further stages ending with Greater London the following April.

Most independent gas supply companies taking part in the first two trials in the south of England have been strongly pushing for a quicker timetable. Caroline Harper, managing director of Amerasia Hess Gas, said she "wholeheartedly supported" the move.

The decision also represents a victory for Clare Spottis-

woode, the industry regulator, who has pressed to speed up competition. So far choice has been extended to about 2 million homes in the South, of which more than 250,000 have moved from British Gas, lured by discounts of up to 20 per cent off bills.

British Gas's pipeline operation, TransCo, argued the new October target represented a "considerable challenge" and said it still preferred to start the process no earlier than next April. The DTI said its new timetable was "subject to the readiness of computer systems", a reference to TransCo's doubts about whether it can speed up the introduction of new computer systems in each of the next phases which track customers as they switch supplier.

The Gas Consumers Council warned problems in the latest South-east trial could hold up competition. The GCC revealed that hundreds of households in Kent and Sussex have either been wrongly moved from British Gas to a new supplier, or have not been switched to a new gas company despite signing a new contract.

Sue Shipman, GCC director, said she suspected either TransCo or the new suppliers had mixed up the customers' addresses and meter numbers. She added: "We don't think this was down to fraudulent doorstep selling."

IN BRIEF

• **Hammerston** said commercial property market conditions continued to improve last year despite a disappointing rise in the company's net asset value during 1996 from 376p to 388p, right at the bottom of analysts' expectations. Full-year figures were accompanied by details of an £845m development programme including refurbishments of London's Brent Cross shopping centre and Birmingham's Bull Ring. A final dividend of 7.5p made a full year total of 11.2p, up 5 per cent.

Investment column, page 22

• **In a fresh hint** that the US Federal Reserve might raise interest rates after its Open Market Committee meets next week, Robert Faria, president of the San Francisco Fed, said it must be ready to head off future inflation. Speaking in Germany, he said: "We must be ready to act to head off an increase in inflation before they show up in the inflation data."

• **Sir Richard Sykes**, chief executive of Glaxo Wellcome, has netted a paper profit of nearly £1.8m after exercising options over shares worth £4.4m at the current price. Sir Richard sold enough of the resulting 394,000 shares to meet the £2.6m cost of exercising the options and an associated capital gains tax bill of around £500,000. The deal increased his stake in the company by a net 108,476 shares to 331,551.

• **Scottish Amicable Finance** has received final bid offers from Abbey National, AMP Society and Prudential Corporation and will make a recommended proposal by the end of March.

• **Britania's Cornhill Insurance**, part of German insurer Allianz Group, announced 1996 profits down 16 per cent from the previous year's record level of £61.6m. Ray Treva, Cornhill's chief executive, said the figures were satisfactory in an extremely competitive market. For 1996 general insurance profits fell to £30m from £46.1m and life profits to £5.9m from £6.9m.

• **TT Group's shares** rose 13p to 348p after it announced annual pre-tax profits up 19.2 per cent to £53.5m from £44.9m last time. TT Group joint chief executives Sheridan Compton and Michael Eke said the company's order book levels "give rise to optimism" for 1997. Earnings per share was 22.7p against 19.5p last time, and TT paid a final dividend of 4.79p, making 7.59p for the full year against 6.32p for 1995.

• **Reckitt's healthcare packaging arm** has signed a global agreement to supply medical packaging and component products to Allegiance Healthcare Corporation. The agreement, which runs until 2003, represents approximately \$280m in sales and is the largest contract awarded for medical packaging. Reckitt's healthcare packaging division has current sales of about £180m.

• **ASW Holdings** plunged to a £51.7m loss for the year to December 1996 against a profit of £13.8m last time. The steel company said it was dependent on the construction industry, which continued to be depressed. It passed the final dividend. ASW said it planned to continue to improve production efficiency and to complete the cost cutting started in the UK and France last autumn.

Tyco secures ADT with \$5.6bn friendly offer

David Usborne
New York

The bitter battle for control of ADT, the burglar-alarm company headed by British entrepreneur Michael Ascroft, appeared to have ended yesterday after the announcement of a \$5.6bn (£3.5bn) friendly offer from Tyco International, a maker of fire and safety systems.

The deal, already approved by the Tyco and ADT boards, is a blow to Western Resources, a Kansas-based utility giant that had been struggling since last year to make ground with its \$3.5bn (£2.2bn) hostile bid. Tyco, which makes a diversified range of products including packaging and medical goods, agreed to play the role of "white knight" by offering ADT shareholders \$29 a share, against the \$22.50 put on the table by Western Resources.

ADT's 230 offices in 10 countries will be merged with the 300 offices of Tyco's Fire and Safety unit in 50 countries. The current head of Tyco - which is unrelated to the Tyco toy company - Dennis Kozlowski, will remain chairman after the merger. The Tyco name will

also be retained. Tyco is based in Exeter, New Hampshire. ADT has its operating home in Boca Raton, Florida.

Under the deal, which should be completed by 1 July, Tyco will end up owning 64 per cent of the shares of the new company while ADT shareholders will have 36 per cent. Among the latter may be thwarted Western Resources, which currently holds a 27 per cent stake in ADT. Western Resources had no comment yesterday.

The struggle over ADT started last summer when a takeover agreement was struck with Wayne Huizenga's fast-expanding Republic Industries. The deal collapsed when Republic's share price plunged. Home security firms have become attractive targets because of the opportunities they offer to gain contact with householders.

Shares in ADT, the leading home-security firm in Britain and the US, jumped 15 per cent in early New York trading from a Friday close of \$21.75.

The deal was welcomed by Mr Ascroft, whose empire also includes car auction interests in Britain. "ADT's commercial and industrial businesses are an excellent fit with Tyco's Fire and Safety Services group," he said. "This merger will enhance ADT's ability to continue its growth, not only in North America and the United Kingdom, but in all parts of the world."

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Tim Stevenson
City Editor

Lonrho became the latest victim of the strength of sterling yesterday, warning that the soaring pound would compound flagging precious metal prices to leave half-year profits as much as a third lower than last year. The mining to hotels group's shares tumbled 19.5p at one point before closing 12.5p lower at 145p.

The trading statement, which the company issued to show its share price which had appreciated 36 per cent in the past three months, followed but on the heels of speculation in the weekend press that Lonrho is having problems negotiating the sale of its Princess hotels chain to Saudi investor Prince al Walied.

The planned break-up of Lonrho into its constituent

parts has been dogged by delays including the abandonment of proposals to make a public offering of its Metropole and Princess hotel chains. It has declined to put a timetable on the final stage of Lonrho's dismemberment, the spin-off of its African trading operations to leave the company as a pure mining play.

Lonrho is one of the world's largest gold and platinum producers. It owns 41 per cent of Ghana's Asibani Goldfields, the world's eighth-largest gold producer, and has majority stakes in Western Platinum and Eastern Platinum, which together produce a tenth of the world's production.

Gold traded recently at \$351 an ounce, down 15 per cent from its recent high of \$415 in February 1996. Platinum slumped to as little as \$350 an ounce in February of this year,

down about 11 per cent from its high of \$430 a year ago.

Lonrho said the price drops, combined with the pound's strength against African currencies, would push pre-tax profit down as much as 33 per cent in the six months that end in March.

That would imply a profit fall of about £19m from the £58m pre-tax profit in the same period a year ago. Lonrho reports its figures in late June. Analysts took a sanguine view of the announcement. "We all know that hulk prices were low really there shouldn't have been any surprise," said Ian Rennie, an analyst with Credit Lyonnais Laing.

"But the share price has run ahead of itself, and the company was getting concerned about expectations." He said he would cut his forecast for the full year by £20m to about £160m.

Murdoch buys Heritage Media

New York - Rupert Murdoch's News Corporation is spending \$1.35bn (£850m) to acquire Heritage Media, the Dallas, Texas-based specialist in in-store marketing and operator of several television and radio stations across the US, writes David Usborne.

News Corp insisted, however, that its interest in Heritage was its marketing assets which would considerably bolster its own. The broadcast units - six network-affiliated television stations in prime US markets and 24 radio stations - will be

sold after the deal is closed. "Heritage's marketing services operations are a great complement to our existing FSI [free standing inserts] business," Mr Murdoch said in a brief statement in New York.

News Corp has offered to acquire Heritage for stock valued at \$75m. A subsidiary of News Corp will be the buyer of Heritage and will pay the equivalent of \$20.50 for each of Heritage's 38.6 million outstanding shares. In addition, News Corp has agreed to take on about \$600m in Heritage's outstanding debt.

The acquisition is still subject to approval by Heritage shareholders and federal regulators. The principle marketing arm of Heritage is Actmedia, which provides in-store marketing support for 40,000 supermarkets and pharmacies world-wide. Its direct marketing unit is DIMAC Marketing Corp.

Heritage was targeted by as a perfect fit with News Corp's US-based subsidiary, News America FSI, which publishes free-standing promotional material that is inserted into newspapers and magazines.

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English China Clays dives into £43m loss

Magnus Grimond

English China Clays, the world's biggest producer of kaolin, yesterday slashed its final dividend by more than 55 per cent and unveiled £95m of exceptional charges as it acknowledged strategic mistakes had been made in the past. The charges and the difficulties experienced by its customers in the paper industry plunged the group to a £42.9m loss for last year, against profits of £95.1m before.

Lawrence Urquhart, the chairman, described the year as one of "restructuring and renewal" for the company against the background of severe volume decline in the paper market and "the lowest point" in the turnaround of the specialty chemicals business. The cut in the final dividend from 11.3p to 7p reduces the total by a quarter to 12.5p. "This annual rate of dividend represents a base from which the directors consider the company can generate

dividend growth in future", Mr Urquhart said.

The reduction was signalled at the time of the interim results in September, but the shares slid 8p to 307.5p yesterday. Nick Wilson, analyst at Kleinwort Benson, said he was expecting the dividend cut but thought it should have gone further. "Certainly down to 10p and you could have argued for lower than that." Meanwhile, the exceptional charges were higher than he was expecting. He has cut his forecast for the current year from £69m to £65m and warned that the group's future depended on a revival in the paper industry. "Until we see that, [management] haven't done enough to halt themselves out... The shares will still drift lower until we can see signs of a recovery under way."

Of the exceptional costs, £84.9m relate to asset write-downs, mainly at Georgia Kaolin, a US paper minerals business acquired for its reserves at a cost of \$355m (£210m) in



Lawrence Urquhart: Reached 'lowest point' in the turnaround of the chemicals business

1990. The group is now writing off some \$100m of the \$250m carrying value of those assets and Dennis Rediker, who took over as ECC chief executive from Andrew Teare at the beginning of 1996, acknowledged yesterday that the group had overpaid for the business.

Mr Rediker said "the majority" of the trading profit decline

from \$60.2m to \$30.8m in ECC's American and Pacific operations related to Georgia Kaolin. The division has been hit by a 2 to 3 per cent drop in prices, 2 per cent lower volumes and operating problems. The write-off had also been prompted by Ogilvy UK accounting rules, he said.

Another £10.1m of the exceptional covered restructur-

ing in the European minerals and North American chemicals operations to cover redundancies. Around 400 jobs, mostly in Cornwall, went last year. Mr Rediker said they were "on track" to accomplish the target set last autumn of achieving £30m of cost savings in the kaolin business "and we are looking for more."

Airtours seals £168m Costa deal

Tom Stevenson
City Editor

Airtours' already close relationship with its largest shareholder, Carnival Corporation, intensified yesterday after the two companies put the finishing touches to their first joint purchase, the £168m acquisition of Costa Crociere, Europe's leading passenger cruise operator.

Airtours' shares closed 11p higher at £10.09p after the deal first announced last December,

was confirmed. The shares have more than doubled since last summer, partly on the back of strong trading figures but largely because of increasing speculation that Carnival, which holds 29.5 per cent of Airtours' shares, is poised to make a bid for the rest of the company. City gossip has put a price of more than £12 on any successful bid.

Airtours and Carnival are paying £168m for Costa, £13m less than the price announced in December when Costa's Milan-traded shares were sus-

pended ahead of final negotiations with a syndicate that controls 56.9 per cent.

The deal reflects the strength of Airtours one of the few beneficiaries of the soaring pound.

Having secured the agreement of the syndicate, including the Costa family itself speaking for 30.7 per cent of the shares, Airtours and Carnival are confident of reaching the 90 per cent acceptance level on which the acquisition depends. The deal is also dependent on

EU regulatory approval. If successful, Airtours will secure Costa's eight cruise ships which spend the summers in the Mediterranean and northern Europe, before sailing to the Caribbean and South America for the winter season. Costa, based in Genoa made profits before tax in 1995 of £16.8m on £32m turnover.

In 1995 about 900,000 cruises were taken in the Mediterranean and northern Europe out of a global total of 5.4 million.

Bunzl gloomy on profits

Magnus Grimond

Bunzl, the cigarette filters to plastic disposables group, warned yesterday that first-half profits were likely to be pegged at last year's level by the strength of sterling and lower paper prices.

Anthony Habgood, chairman, said the 50 per cent of group earnings denominated in dollars would be impacted on translation if current trends continued. Meanwhile, although the fall in paper prices had stabilised, they were still showing a 16 per cent decrease in the year to January, which would hit first-half figures.

However, given the trends of the second half of 1996, the comparison should get increasingly better as the year wore on, he said. The strong position of the businesses in their markets and a strategy for growth, both organic and by acquisition, would enable the group "to continue to progress satisfactorily."

The warning came alongside news of a 7 per cent rise in pre-tax profits to a record £114m for the year to December and the shares dipped just 4p to 221.5p yesterday. Analysts said they did not expect to shave forecasts by much as a result of the warning.

Last year's figures were boosted by a slowdown in pre-Christmas sales. Later this month it will be relegated from the Footsie as a result of the share slump.

Investors were looking to yesterday's results for reassurance that the Argos bubble has not burst. The reassurance duly arrived, though it was couched in cautious terms by the resolutely downbeat chief executive Mike Smith.

His view is that retailers face a tough future with intense competition and value-con-

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Avis Europe sales drive pays off as punters pile in

Investors hoping for a piece of the £237m Avis Europe offer for sale have until Friday to get their applications in, but judging by demand to date they may be lucky to get a decent-sized allocation. The institutional and international placing of the car rental group is looking well covered even before the retail offer gets into its stride. With registrations for the prospectus from small investors running above 100,000, it looks inevitable that applications will be scaled down.

The only consolation for investors is that even if the £1,000 minimum allocation is scaled back, they will still gain access to the Founders' Club, giving them up to four days' free car rental worth £85 if they hold onto their shares until 3 July. With some contortion of the usual rules of investment, advisers argue that the perks raise the notional yield on the shares from 3.2 per cent to 11.5 per cent, assuming the price is fixed at the 117p mid-price of the indicated range.

The big question is whether Avis is worth all the fuss, even if it is Europe's biggest rental group. The few in the City not involved in the sale have questioned why it requires five investment banks led by Merrill Lynch and NatWest Securities and an international marketing effort to get such a relatively small offer away. Presumably Avis is keen to repeat its previous experience of the stock market: when it floated in 1986, two-thirds of the offer was left with the underwriters and the price went to an immediate discount in first dealings.

There is no doubt the business has its risks. Operating profits halved to under £40m in 1993-94 after Avis got hit by a triple whammy. The recession came late to the car rental industry and in that year all the European economies turned down at once.

Then the group was hampered by an interruption of car supplies from "a long-term partner" in Germany, and lastly a little-known side-effect of the collapse of the Berlin Wall was a huge upsurge in car theft in the West, resulting in the mainly uninsured Avis losing around 1,000 cars a year at one stage.

There is no doubt this is a strong business, generating compound annual profits

growth of over 12 per cent over the past 16 years. But within that, there can be big swings linked to economic growth rates, while the industry is highly competitive, with Hertz also coming to the market and Europcar rumoured to be on the way. The lessons of three years ago also highlight the importance of special sales deals on cars to the equation.

Even so, based on SBC Warburg's forecast of profits rising from a pro forma £68m to £77m in the current year, the shares at 117p would trade on a lowly forward multiple of 12. Attractive.

Hammerson looks ahead

Ron Spinney has achieved a great deal at Hammerson since he took over from the company's founder Sydney Mason in 1993. He has reinvented a disastrous geographical diversification, cut debt to manageable levels and created a well-balanced group with an emphasis on retail, the area of the property market expected to have the most scope for growth.

As full-year figures for 1996 show only too clearly, however, what he has been unable to do to any great extent is remove the millstone of a large portfolio of UK office buildings rented at well above the market rate. While a good spread of blue chip tenants in those

properties ensures strong cash-flow, it precludes growth. Not assets per share, as a result, edged ahead from 376p to 388p, at the bottom end of expectations, and the dividend was increased by a pedestrian 5 per cent to 11.2p, giving a yield at yesterday's share price of 440p of 3.2 per cent.

Hammerson is doing the right things, even if transforming Britain's fifth-highest property business is proving a frustratingly slow process. It has put in train a serious development programme that has already chalked up a number of successes, including the pre-letting of Globe House, a landmark headquarters building overlooking the Thames at Temple, to BAT.

The £38-per-square foot, 20-year terms are well in excess of an estimated £30 break-even point, underlining the potential for a development portfolio in the books at cost not likely value.

Elsewhere, ambitious plans include expanding the Brent Cross shopping centre to counter the perceived threat from a planned centre at White City in west London.

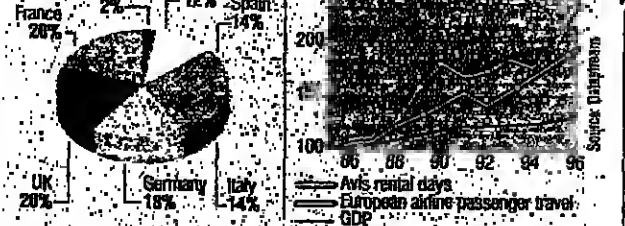
The property market is heading in the right direction, and Hammerson has a good exposure to its growth areas. With net assets forecast to be slightly less than the current share price at the end of the year, however, and the developments still a way from completion, much of the good news is already in the price.

Avis Europe: At a glance

Trading record	1994	1995	1996	1997
Operating profits (£m)	38.5	60.0	84.3	101
Operating profits (£m)	38.5	60.0	84.3	101
Pre-tax profits (£m)	38.5	60.0	84.3	101
Dividend (p)	11.2	11.2	11.2	11.2

*Based on mid-range of indicative offer price

Sales by area



Source: Hammerson

Slump sees Argos out of Footsie

It has not been a good couple of months for Argos. The highly regarded catalogue retailer came back to earth with a bump in January when it issued a profits warning caused by a slowdown in pre-Christmas sales. Later this month it will be relegated from the Footsie as a result of the share slump.

Investors were looking to yesterday's results for reassurance that the Argos bubble has not burst. The reassurance duly arrived, though it was couched in cautious terms by the resolutely downbeat chief executive Mike Smith.

His view is that retailers face a tough future with intense competition and value-con-

scious shoppers. The good news for Argos investors is that the company has built its reputation on value and is well placed to take advantage.

With profits 14 per cent higher at £141m Argos shaved its prices by 1 per cent in 1996 but still managed to increase margins by 0.4 percentage points thanks to better sales of higher margin ranges.

Costs also rose, due largely to higher paper prices and longer print runs of catalogues. Though first-half profits are unlikely to exceed last year's record half, it is the second half that matters.

Argos hopes to avoid market saturation by adding smaller Call & Collect stores where customers order their goods for later collection.

The move into Holland looks interesting though it will cost £5m this year. Argos still has £114m cash and though a £1bn buy is possible, the company says, the money may be returned to shareholders if a suitable target is not found.

Like-for-like sales growth of 7 per cent in current trading conceals double-digit growth in toys, electrical and jewellery, the three sectors which contributed to the sales slowdown pre-Christmas.

With analysts expecting profits of £160m the shares up 9.5p to 648.5p yesterday - trade on a forward rating of 17. Still worth holding.

Wiseman buys Scottish Pride

Nigel Cope
City Correspondent

Robert Wiseman Dairies has strengthened its position in the Scottish milk market with the acquisition of the milk interests of Scottish Pride, the dairy group which collapsed into receivership last month.

The deal gives Robert Wiseman 78 per cent of the Scottish milk market compared with its previous 52 per cent. However, the company has reached an agreement with the OFT which

will allow the deal to go through as long as it reveals its prices to the trading authorities.

The company is paying £4.8m to acquire a milk bottling plant at Rutherglen as well as five depots and the "Fresh n' Lo" trademark of semi-skimmed milk.

The move safeguards 120 of Scottish Pride's remaining 607 workers. Around 140 were made redundant earlier this month. Robert Wiseman is not buying Scottish Pride's milk processing plant at Cowan near

Glasgow because it has a modern plant of its own nearby.

Robert Wiseman is raising £12.2m in a placing and open offer at 172p to fund the deal. The additional money will be used to invest in the Scottish Pride businesses.

Blair Nimmo of receivers KPMG said he hoped there would be no further redundancies. The sale of the loss-making milk interests leaves the more robust cheese and UHT businesses to be sold. "There is a good degree of interest in

these businesses whereas with the milk side there were really no other buyers apart from Robert Wiseman."

The receivers were called in to Scottish Pride in February after trading losses and debts mounted.

Robert Wiseman Dairies also said yesterday that since its half-year results in November, weak bulk cream prices and intense competition had kept margins under pressure. However, its said it had increased sales to supermarket customers.

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THE LIVE CENTRE

By the year 2000, one person in four will live in crowded slums without basic amenities

[Source: WaterAid]

There is a global water crisis. On Friday 21 March 1997 The Independent, in association with WaterAid, will publish an eight-page report on what the problems are, and how they can be solved

THE INDEPENDENT

Company Results	Turnover £	Pre-tax £	EPS	Dividend
Alcan (F)	119m (104m)	10.15m (3.03m)	14.48p (2.26p)	nil (-)
Argos (F)	1,560m (1,440m)	141m (124m)	32.5p (27.5p)	16p (13p)
Aster (BSR) (F)	391m (372m)	33.9m (28.1m)	8.55p (7.33p)	1.8p (1.5p)
ASW Holdings (F)	532m (542m)	-51.7m (13.2m)	-81.5p (17.1p)	nil (0.7p)
Bund (F)	1,800m (1,700m)	114m (109m)	18.4p (18.5p)	6.3p (5.8p)
Charwell China (F)	54.1m (47.1m)	6.18m (5.08m)	40.3p (32.5p)	13p (11.25p)
CA Credit (F)	19.6m (16.5m)	1.82m (1.21m)	10.3p (10.2p)	3p (-)
ECC (F)	848m (886m)	-42.9m (55.1m)	-18.83p (21.04p)	12.5p (16.7p)
Edgemoor (F)	41.8m (35.4m)	6.3m (4.54m)	9.7p (7.02p)	- (-)
Emson (F)	178m (165m)	9.2m (8.2m)	1.3p (0.9p)	0.4p
Finetech (F)	65.2m (64.3m)	-14.3m (16.8m)	-12.75p (6.32p)	nil (-)
Gowtaps (F)	65.7m (60.2m)	0.95m (1.23m)	5.49p (6.88p)	3p (2.75p)
Hendel Group (F)	50.5m (54.8m)	2.06m (2.01m)	4.04p (3.57p)	2.3p (2.2p)
Hammerson (F)	- (-)	70.0m (57.7m)	18.9p (13p)	7.5p (7.15p)
Harrogate House (F)	48.1m (48.0m)	4.1m (2.5m)	17.32p (16.11p)	3.5p (2.5p)
Hellaby (F)	16.8m (-)	2.3m (2.00p)	3.8p (-)	1.125p (-)
Metatrax (F)	86.5m (80.9m)	11.5m (10.4m)	6.82p (6.12p)	4p (3.64p)
Metcal (F)	0.20m (0.20m)	-0.47m (0.02m)	- (-)	nil (-)
Toy House (F)	49.9m (39.8m)	4.1m (2.25m)	9.23p (5.50p)	1.7p (1.55p)
TT Group (F)	520m (490m)	53.5m (44.9m)	22.7p (19.9p)	7.50p (6.50p)
Wilson Bowden (F)	332m (228m)	41.0m (22.6m)	29.2p (21.1p)	11p (10.05p)
Yorkshire Group (F)	132m (124m)	2.81m (-)	-0.2p (16.4p)	9.1p (-)

Wilson Bowden builds £41m profits

A bullish outlook on prospects pushed shares in the Wilson Bowden housebuilding company to within a sighting shot of the all-time high of 570p that was hit in early 1994.

Shares in the company, which floated on the stock market 10 years ago, climbed 20p to 542.5p after David Wilson, chairman and chief executive, announced record profits and said: "The whole business is on a roll and reservations are some 30 per cent up on the same period last year. There may be a couple of slow weeks immediately before and after the election, but overall I expect a steady improvement."

The company anticipates that its house completions this year could be 15 per cent higher than the 2,500 achieved last year. Mr Wilson said the homes market was particularly strong in the south of England. He said: "There is also some evidence to suggest that the 'ripple effect' is starting to show through in the north of the country."

Wilson Bowden's profits leapt to £41m before tax was helped by the acquisition of Trenchwood, Trenchwood contributed operating profits of £4.1m in the nine months since it was bought for £10.1m a year ago. Group results were higher than most analysts' expectations, which had been pitched at around £38m.

"The Trenchwood deal is proving to be a big success," Mr Wilson said.

Group profit margins rose to 13.4 per cent in the second half of the year. Earnings per share climbed by 38.4 per cent to 29.2p and the total dividend is being raised from 10.05p to 11p.

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market report / shares

May Day election jitters finally unsettle Footsie

MARKET REPORT

DEREK PAIN

stock market reporter of the year



Shares showed signs of election jitters as John Major settled for a May Day poll. Footsie fell 51 points, its biggest decline for seven weeks, as the stock market prepared for what will be a long, frenetic campaign.

Traditionally equities experience volatile times in a run-up to polling day. One of the surprises of the past year has been the complete indifference the market has displayed towards the election and a likely change of government.

But such a placid attitude may be coming to an end. Although dividend payments contributed to the fall there was a feeling in some quarters that the first vibrations of old-fashioned election jitters had become apparent.

Still the impact was muted. With 11 of the 100 Footsie blue chips going ex-dividend more than 22 points were automatically stripped from the index. And the market also had to contend with a New York unsettled by the George Soros display of bearishness.

Footsie retreated to 4,373.3 with the supporting FTSE 250 index off 15.8 (making a four-day fall of 37.4) at 4,692.

The possibility of a Labour government has, of course, been occupying City minds for some time. There is a widespread view that a change of power is already factored into market values.

Chris Chaitow, chartist at Robert Fleming, has plotted that the market always falls under Labour and he believes the arrival of Tony Blair at No 10 could push Footsie down to 3,800 points by the autumn.

Although he has had to construct his own index to make the point he believes the first Labour government presided over a 20 per cent fall in 1929/31; during the immediate post-war administration the decline was 3.5 per cent and the

first Wilson government saw a 10 per cent retreat.

Under the last Labour government the market fell 10 per cent in real terms. "Labour has been bad for the stock market in actual terms because inflation has tended to be high," said Mr Chaitow.

Shares with a strong US following are likely to be vulnerable to a new government. Two showing signs of weakness were Glaxo Wellcome, off 29.5p to 1,110p, and Danka Business Systems, down 47.5p to 577.5p.

Imperial Chemical Industries, once the bellwether of Britain's industrial health, was a poor-performing blue chip.

Nothing to do with the election; more a traditional profit downgrading. Kleinwort Benson did the damage, cutting its forecast for this year and the following two years and saying the shares were a sell. This year's forecast is lowered from £650m to £590m and 1999's from £900m to £840m. The shares fell 16.5p to 731.5p, the lowest for two years.

Lauria is another under pressure on the profits front. It fell 12.5p to 14.5p after warning that sterling's strength could leave half-way profits down by a third.

ADT, Michael Ashcroft's security group which is based in Bermuda, jumped 372.5p to

1,610p as US industrial group Tyco International countered a hostile bid from Western Resources which already has 27 per cent.

Cable & Wireless added 5.5p to 511.5p on further speculation about the likely Chinese deal and Lasmo, strong on Friday, fell 5p to 251.5p as Societe Generale Strauss Turnbull said sell.

Scanderland's humiliating weekend defeat by Chelsea lowered the shares 35p to 617.5p. Renewed hopes of a higher offer lifted Capital Corporation 4.5p to 213p. Rank held at 439p with Lehman Brothers suggesting a 485p target.

Pace Micro Technology, which at one time seemed set to provide the Murdoch TV decoder box, lost a further 4p to 90p; the shares were 241.5p in November. Two profit warnings and the departure of one of its founders plus the failure

of any Murdoch deal to materialise have devastated the shares.

Drugs were mixed. Cantah Pharmaceuticals rose 52p to 1,072p on talk of a vaccine development with Glaxo; results are due tomorrow. Scotia fell 22.5p to 422.5p but Shield Diagnostic managed a 5p gain to 672p after Friday's excitement. Chiroscience firmed to 389p on Lehman confidence.

Limelight, the bathroom and kitchen group, slumped 28.5p to 142.5p on worries about trading. Floated last year at 17.5p the shares have touched 200p.

Yorkshire Group, the old Yorkshire Chemicals, rose 22.5p to 211.5p following an encouraging trading statement. Stephen Wallis, who turned round Fisons, the drugs group, before its takeover by Rhoe Poulenc Rorer, is revamping Yorkshire. Year's profits were down from £10.6m to £2.8m.

Bruntcliffe Aggregates, where two possible predators have built share stakes, slipped 1.5p to 24.5p. Albert E Sharp is bullish. It believes the shares are undervalued, seeing profits of £2m this year and £2.25m next. Assets are 35p a share. The Bardon aggregates group has a 22.7 per cent interest and Bodfari, an unquoted North Wales gravel group, has 6.7 per cent.

Howden, an engineer, is planning to sell non-core operations but denies a bid approach. The shares, 68p in December, gained 9.5p to 93p.

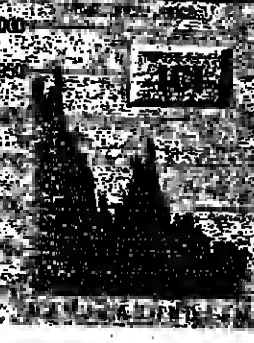
Lorien, one of 10 AIM founder members, has moved to full listing. Its shares held at 410p; a year ago they were 197.5p. A computer personnel group, it lifted profits last year by 52 per cent to £1.48m.

Taking Stock

Data Bank

FTSE 100	4373.3	↓51
FTSE 250	4692.0	↓15.8
FTSE 350	2163.0	↓22.4
SEAG VOLUME	733.1m	
60-SEC VOLUME	60.432	
Cable Index	64.71	↓0.53

Share spotlight



Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: 1. Ex rights & 2. Ex dividends & 3. Ex all United Securities Market's Suspended & 4. Ex all United Securities Market's Suspended

Source: FT Information

The Independent Index

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UK Stock Market Report	01	Bullion Report	05	Water Shares	39
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	High Street Banks	21		

Anyone with a home-dial telephone can use the service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 123 333.

Call cost 50p per minute. Call charges include VAT.

Market leaders: Top 20 volumes

Stock	Vol	Stock	Vol	Stock	Vol	Stock	Vol
British	100000	British	100000	British	100000	British	100000
British	100000	British	100000	British	100000	British	100000
British	100000	British	100000	British	100000	British	100000

FTSE 100 index hour by hour

Time	Index	Time	Index	Time	Index	Time	Index
14.00	4376.7	15.00	4374.7	16.00	4374.7	17.00	4374.7
14.30	4376.7	15.30	4374.7	16.30	4374.7	17.30	4374.7
15.00	4376.7	16.00	4374.7	17.00	4374.7	18.00	4374.7

Telecommunications

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Pharmaceuticals

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Printing & Paper

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Property

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Support Services

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Water

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Rights Issues

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

Recent Issues

Stock	Price	Change	Vol	Stock	Price	Change	Vol
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000
British	100.00	+0.50	100000	British	100.00	+0.50	100000

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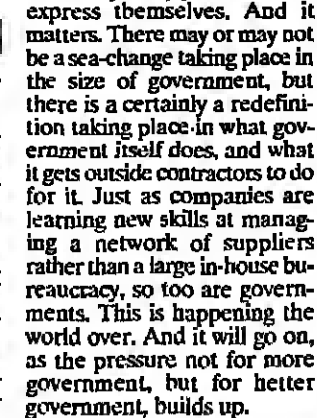
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Waugh guides Australia home

Cricket
NEIL MANTHOP
reports from Port Elizabeth
South Africa 209 & 188
Australia 108 & 271-8
Australia win by two wickets

Mark Waugh, who steered Australia to a two-wicket win in the second Test against South Africa yesterday, said he considered his 116 to be the best of his 11 Test centuries.

"My hundred in Jamaica comes pretty close but this was definitely the best," he said. "It was always going to be difficult to score 270 on this wicket."

Waugh dug in to lead Australia to a two-wicket victory in a topsy-turvy match at St George's Park. Just as his *tour de force* seemed to have made victory a formality, Australia lost three wickets in 11 balls, collapsing from 258 for 5 to 265 for 8, still five runs short.

Their victory came in dramatic

fashion when Ian Healy flicked Hansie Cronje for six over square leg.

Waugh's century in his 100th Test innings took them to the brink of an unbeatable 2-0 lead in the three-match series. Australia won the first Test by an innings and 196 runs in Johannesburg. This was South Africa's first defeat in a home Test series since returning to international cricket in 1991.

The Springboks snuffed a chance of victory in the pre-lunch session when the visitors lost Steve Waugh for 18 and Greg Blewett for seven. Australia went into lunch on 204 for 5, but Mark Waugh and Michael Bevan took their side to within sight of victory with a 54-run partnership before Jacques Kallis struck.

Kallis, who had claimed the wicket of Steve Waugh, inspired a South African renaissance. He hit a century and then trapped Shane Warne lbw. The wickets came either side of Bevan's dismissal.

Bevan, who contributed a watchful 24 in 98 minutes, edged Cronje to Daryl Cullinan at first slip, four balls after Waugh had departed.

For Mark Taylor, the Australian captain, the victory was a bitter-sweet one. After playing his 17th and 18th successive Test innings without a 50, he led his side to their first series victory over South Africa since 1957-58.

"It's not up to me or the players to say that we are the best. The scribes can say that and hand out titles. But I'm delighted with the way we are playing and as long as we keep winning Test matches and series then I can't be happier," he said.

Despite speculation that Taylor may be forced to leave himself out, he remains determined to stay. "I'll definitely be playing in the third Test next week. I have no plans to drop myself."

Australia's coach, Geoff Marsh, supported his captain. "He's a tougher man than you and I," he said of his former opening partner.

"We are all 100 per cent behind him. Every day we do as much as we can to help him. The way he carries himself in the dressing-room is unbelievable because he is so disappointed with his own form."

Cronje, the South Africa captain, was fulsome in his praise for Australia and, particularly, for Waugh. "I can't heap enough praise on him. It was a fantastic innings in difficult conditions. He was the difference between the teams."



Fred Dove, England's captain, attacks the Welsh bowling at Lord's yesterday

Photograph: Peter Jay

Swinging high at Lord's

England's victory anthem - "Swing Low, Sweet Chariot" - was given full voice at Lord's yesterday afternoon. But the cricketing triumph it marked was of a rare kind - the first by the home country's disabled teams in their sequence of international victories against Wales.

Mike Rowbottom watches England's disabled team triumph against Wales at the home of cricket yesterday

Scoring in the 25-over matches played yesterday was on traditional lines, but other figures came into play for the disabled game. Drawing from around 1,000 active players, teams are required to include a minimum of two wheelchair players and two women.

And in order to allow more severely disabled competitors to take part, matches are in two categories - Zodiac and Zenith - for those of greater and lesser disability.

Playing in teams of mixed physical and mental handicap can entail problems in communication. Keith, a 27-year-old computer engineer from Staines, recalled playing recently opposite a batsman with Downs Syndrome - "he was a man on a mission. He ran for everything, and in the end I got run out."

There are also physical problems for wheelchair cricketers. There are no concessions for them other than two swivel levers on which to lay their bat while moving between the wickets, and a sudden call to go back

from the other end often results in falls.

The enjoyment of the competitors, however, is patent. And none enjoyed themselves more yesterday than Linda Lane, one of the two women in the England Zenith side, where she batted at No 9.

After collecting her first runs she continued past the wicket as if tugged by her runaway bat before raising both arms to the spectators' gallery.

Run out for eight, she sank her head on the waiting shoulder of a team member, momentarily overcome. "You were brilliant," she was told. "Now do yourself a favour and get yourself a cold drink."

At which point Elaine Dodd, England's other woman player, clapped her on the back and shepherded her to the refreshment table. "Well partnered, mate," she said.

But there was competitiveness amidst the camaraderie. Lane's innings was watched by the England captain, Frederick Dove, a highly capable player who has turned out for able-

bodied league sides in south-east London for many years.

Under the rules, Dove and two of her fellow batsmen had had to vacate the wicket upon reaching 25 runs, and were only permitted to return if the rest of the side was dismissed inside the allotted time.

Thus, as Lane walked off, Dove's feelings were ambivalent, and the competitive sportsman within him uttered a quiet "yes!" as he stepped forward to resume his innings. As it turned out, Dove, who presents the Radio Four programme for the disabled, *Does He Take Sugar?* was made man of the match. After playing a major part in England's Zenith total of 181, he helped restrict Wales to 102 all out, taking the final catch.

"No cricketer could ever turn down being captain of England at Lord's," he said. "The standard of disabled cricket is going up all the time."

Dove, a thalidomide victim, was watched by his younger brother, Philip, a British international triathlete. "We're looking on, almost wistfully, was Randall, who at 46 still plays Minor Counties cricket for Suffolk. "I still love playing," he said. "I'd like to be out there now playing with these lads."

You didn't doubt he meant it.

Kwan has to suffer growing pains

Ice skating

The ageing process can be painful for figure skaters. Michelle Kwan, only 16, is facing the prospect of losing her world title to a 14-year-old fellow American.

Tara Lipinski is poised for victory at the World Championships in Lausanne, Switzerland and become the youngest skater to lift the women's title. Already competing before the International Skating Union banned under-15s from international competition, she claimed Kwan's US title last month and then won the Champions Series final.

Kwan, with nine consecutive victories, had seemed invincible, but her skating is suffering as she matures, something the 4ft 10in Lipinski has yet to endure.

"Everyone goes through it, there's nothing you can do about it," said 19-year-old Nicole Bobek, the third member of the US women's squad. "You think what's wrong. I'm trying so hard. You get taller, you're feet get bigger, you get hips and when your body changes it throws your timing off. You just have to tell yourself you'll get through this."

Men suffer, too. Canada's Elvis Stankovic, who became the first skater to land a quadruple jump two weeks ago, said: "I grew three inches and gained 20lb in one year, it changed my timing drastically. I've chatted to Michelle about it and told her we've all gone through this."

"She's growing but she's thinking a little bit more about what's going on around her. The realisation can be overwhelming."

Britain's Zoe Jones failed to qualify for the short programme after finishing 18th in group B.

Hardy is next for Hamed

Boxing

Billy Hardy is the surprise challenger for Naseem Hamed's International Boxing Federation and World Boxing Organisation featherweight titles.

The 32-year-old European champion will meet Hamed at Manchester's Nynex Arena on 3 May on a promotion which will coincide with the Evander Holyfield-Mike Tyson World Boxing Association heavyweight title fight in Las Vegas.

It was expected that Hamed would pursue one of the other titles on offer, probably the WBA version held by Puerto Rico's Wilfredo Vasquez.

But Hardy, the WBO No 1 contender, now gets a third chance in a world title fight. The previous two attempts were for the IBF bantamweight title of the Mexican Orlando Canizales, the first going to a split decision in Sunderland, with the champion stopping the Briton in the re-match in Texas.

Rare victory for NZ

New Zealand 222 & 273
Sri Lanka 170 & 205
New Zealand win by 120 runs

A year after their dazzling victory in the World Cup, Sri Lanka yesterday sank to a 2-0 Test series loss to New Zealand, who are ranked bottom of the table of Test-playing nations.

Set 326 to win the second Test at Trustbank Park, Hamilton, and already in trouble at 20 for 2 overnight, Sri Lanka were bowled out for 205 with more than a day to spare with New Zealand's 18-year-old left-arm spinner Daniel Vettori taking five wickets.

For New Zealand it was the first home series win since beating Zimbabwe in 1990 and the first time they had won a back-to-back Tests since 1985 against Pakistan.

Vettori spearheaded the

victory with 5 for 84, following up his four in the first innings and only a bizarre decision deprived him of a 10-wicket haul in only his fourth Test. He bowled Kumar Dharmasena but the Pakistani umpire, Maliboo Shah, confused by the wicketkeeper Adam Parore taking off the other ball, ruled the batsman not out.

Fourth day: New Zealand won toss and elected to bat first. Sri Lanka 222 (18 A Pocock 85).

SRI LANKA - First innings 170
New Zealand - Second innings 273

Overnight: 20 for 2
R S Mahananda lbw b Dooly 55
W D M Silva b Dooly 10
P A de Silva b Dooly 10
M A Ranasinghe c Dooly b Vettori 13
S D Silva b Vettori 13
N D P K Dharmasena not out 36
D N Zewara c Parore b Vettori 39
S A Jayasinghe c Dooly b Vettori 40
M Mahananda c Dooly b Vettori 47
S D Silva b Vettori 50
Total (over 3-40 4-50 5-59 6-67 7-62 8-67 9-70 10-72 11-72 12-72 13-72 14-72 15-72 16-72 17-72 18-72 19-72 20-72 21-72 22-72 23-72 24-72 25-72 26-72 27-72 28-72 29-72 30-72 31-72 32-72 33-72 34-72 35-72 36-72 37-72 38-72 39-72 40-72 41-72 42-72 43-72 44-72 45-72 46-72 47-72 48-72 49-72 50-72 51-72 52-72 53-72 54-72 55-72 56-72 57-72 58-72 59-72 60-72 61-72 62-72 63-72 64-72 65-72 66-72 67-72 68-72 69-72 70-72 71-72 72-72 73-72 74-72 75-72 76-72 77-72 78-72 79-72 80-72 81-72 82-72 83-72 84-72 85-72 86-72 87-72 88-72 89-72 90-72 91-72 92-72 93-72 94-72 95-72 96-72 97-72 98-72 99-72 100-72 101-72 102-72 103-72 104-72 105-72 106-72 107-72 108-72 109-72 110-72 111-72 112-72 113-72 114-72 115-72 116-72 117-72 118-72 119-72 120-72 121-72 122-72 123-72 124-72 125-72 126-72 127-72 128-72 129-72 130-72 131-72 132-72 133-72 134-72 135-72 136-72 137-72 138-72 139-72 140-72 141-72 142-72 143-72 144-72 145-72 146-72 147-72 148-72 149-72 150-72 151-72 152-72 153-72 154-72 155-72 156-72 157-72 158-72 159-72 160-72 161-72 162-72 163-72 164-72 165-72 166-72 167-72 168-72 169-72 170-72 171-72 172-72 173-72 174-72 175-72 176-72 177-72 178-72 179-72 180-72 181-72 182-72 183-72 184-72 185-72 186-72 187-72 188-72 189-72 190-72 191-72 192-72 193-72 194-72 195-72 196-72 197-72 198-72 199-72 200-72 201-72 202-72 203-72 204-72 205-72 206-72 207-72 208-72 209-72 210-72 211-72 212-72 213-72 214-72 215-72 216-72 217-72 218-72 219-72 220-72 221-72 222-72 223-72 224-72 225-72 226-72 227-72 228-72 229-72 230-72 231-72 232-72 233-72 234-72 235-72 236-72 237-72 238-72 239-72 240-72 241-72 242-72 243-72 244-72 245-72 246-72 247-72 248-72 249-72 250-72 251-72 252-72 253-72 254-72 255-72 256-72 257-72 258-72 259-72 260-72 261-72 262-72 263-72 264-72 265-72 266-72 267-72 268-72 269-72 270-72 271-72 272-72 273-72 274-72 275-72 276-72 277-72 278-72 279-72 280-72 281-72 282-72 283-72 284-72 285-72 286-72 287-72 288-72 289-72 290-72 291-72 292-72 293-72 294-72 295-72 296-72 297-72 298-72 299-72 300-72 301-72 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588-72 589-72 590-72 591-72 592-72 593-72 594-72 595-72 596-72 597-72 598-72 599-72 600-72 601-72 602-72 603-72 604-72 605-72 606-72 607-72 608-72 609-72 610-72 611-72 612-72 613-72 614-72 615-72 616-72 617-72 618-72 619-72 620-72 621-72 622-72 623-72 624-72 625-72 626-72 627-72 628-72 629-72 630-72 631-72 632-72 633-72 634-72 635-72 636-72 637-72 638-72 639-72 640-72 641-72 642-72 643-72 644-72 645-72 646-72 647-72 648-72 649-72 650-72 651-72 652-72 653-72 654-72 655-72 656-72 657-72 658-72 659-72 660-72 661-72 662-72 663-72 664-72 665-72 666-72 667-72 668-72 669-72 670-72 671-72 672-72 673-72 674-72 675-72 676-72 677-72 678-72 679-72 680-72 681-72 682-72 683-72 684-72 685-72 686-72 687-72 688-72 689-72 690-72 691-72 692-72 693-72 694-72 695-72 696-72 697-72 698-72 699-72 700-72 701-72 702-72 703-72 704-72 705-72 706-72 707-72 708-72 709-72 710-72 711-72 712-72 713-72 714-72 715-72 716-72 717-72 718-72 719-72 720-72 721-72 722-72 723-72 724-72 725-72 726-72 727-72 728-72 729-72 730-72 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A rare event

Mike Rowbottom sees an England cricket victory at Lord's, page 27

SPORT

An unequal struggle
Chris Hewett gives his verdict on
the Five Nations, page 26



Hopkin next on Sunderland shopping list

Football

Peter Reid, trying to keep Sunderland in the Premiership, made a £2.5m bid for Crystal Palace's goalscoring midfielder David Hopkin yesterday after securing the transfer of Chris Waddle from Bradford City for a mere £75,000.

As a boy Waddle used to support Sunderland at Roker Park, but now he will be intent on helping the club avoid a return to the First Division. Bradford, locked in their own relegation struggle, have signed Mike Newell on loan from Birmingham City for the rest of the season.

Reid approached his Crystal Palace counterpart, Steve Coppell, yesterday with an offer for Hopkin after his club's survival struggle was intensified by their 6-2 defeat at Chelsea on Sunday. Palace have already turned down an offer from Leeds for the player they signed from Chelsea for £700,000 two years ago, but Reid is willing to pay over the odds for Hopkin in his crisis.

Manchester City are close to completing the signing of the former Aston Villa striker, Dalian Atkinson, who has been with Fenerbahce in Turkey. The player is awaiting international clearance for the move.

The Scottish Football Association will hold a full inquiry into the confrontations between players during and after the match between Celtic and Rangers at Parkhead on Sunday. The SFA's chief executive,

Suspended sentence for Gascoigne

Paul Gascoigne was yesterday given a three-month suspended jail sentence in Italy for punching a photographer in Rome while he was playing for Lazio in 1994. Gascoigne was not in court to hear the sentence. Costs and damages have yet to be decided.

Jim Farry, is waiting for the official report by the match referee, Hugh Dallas, before deciding what action to take. Dallas, who sent off two players and booked another eight, will reveal the full extent of the

flare-up which erupted at the final whistle after Rangers' 1-0 win, which all but seals their ninth title in a row.

The FA Cup giants' Huddersfield Town have been severely censured and warned about

their future conduct after being found guilty of misconduct at an FA hearing in Birmingham. Huddersfield, who reached the fourth round of the FA Cup this season, were also fined £10,000, but the penalty has been suspended for two years.

The charge arose out of irregularities in an application made to the Sports Grounds Licensing Authority for a grant towards building a new stand at the GM Vauxhall Conference club's Cross Keys Park stadium.

The Football Association is to take no action over the crowd disturbances that marred the Bristol derby for the second time this season. Police arrested

11 people after fighting broke out when a handful of Bristol City fans infiltrated the home end at the Memorial Ground on Sunday.

Tottenham's £2.6m Norwegian striker, Steffen Iversen, may learn today whether a knee

ligament injury will finish his season. Iversen, carried off just before the end of Saturday's 1-0 victory over Leeds, will have a scan on his knee.

Birmingham's captain, Steve Bruce, had facial X-rays yesterday to discover the extent of injuries he suffered in a collision with Bob Taylor during their 2-0 defeat by West

Bromwich Albion on Sunday.

Lamaison pleads not guilty to charge

Rugby Union

CHRIS HEWETT

Scotland are pushing ahead with their attempt to call Christophe Lamaison to account for his damaging shoulder-charge on Craig Chalmers during Saturday's Five Nations international in Paris, but the French centre is on such a roll that when he defends himself at this week's disciplinary meeting, the tribunal will probably end up awarding him compensation for the slight on his character.

Lamaison, the Brive goal-kicker who made a decisive contribution to his country's Grand Slam, was cited by the Scots in the latest outbreak of trial by video. Footage showed him clattering a fraction late into Chalmers, Scotland's outside-half, who left the field on a stretcher before collapsing in the changing room and was diagnosed as suffering from severe concussion.

"I don't have the impression that I fouled him," said Lamaison yesterday, and he won support from Jo Maso, one of the French coaches, who insisted: "It was just one of those injuries you get in rugby. Lamaison did catch him late, but he was going very fast into the tackle."

The French have proved more ready than anyone to discipline their own players of late - Olivier Merle, Richard Dourthe, Franck Tournaire and Christian Calmano have all received bans in recent years - but they look ready to fight their man's corner this time.

Meanwhile, leading Welsh officials moved quickly yesterday to distance themselves from reports that they would make a temporary home for themselves at Twickenham next season. As demolition work continued at Cardiff Arms Park in preparation for a new £14m stadium, Glamorgan Griffiths, the Welsh Rugby Union treasurer, identified Wembley as the most obvious stand-in venue for the internationals with New Zealand, Scotland and France.

"We've considered Twickenham, but we wouldn't be able to play one of our Five Nations matches there next season because it clashes with an England date," Griffiths said. "We've looked at a number of possibilities, including Old Trafford and Villa Park, but we have to take into account the interests of our supporters and it is so easy to get to London from Wales. Wembley is the likely choice."

Asprilla's form gives hope to Newcastle

Football

NICK DUXBURY

Faustino Asprilla's uplifting record in Europe tonight gives Kenny Dalglish the chance to join the high rollers in the casinos of Monaco and risk all on one last throw.

The stakes are high, with Newcastle United 1-0 down and 90 minutes away from missing out on a UEFA Cup semi-final place that would rescue their crumbling season.

Asprilla, who has claimed five of his six goals this season in UEFA Cup ties, was a spectator - along with Alan Shearer, Les Ferdinand and Peter Beardsley - for the first leg. His suspension now served, the Colombian on whom Kevin Keegan gambled £7.5m, is free to take on the French league leaders.

"European football just seems to be his scene and we're

all hoping that he'll provide us with the flair and the goals," his team-mate Keith Gillespie said. "Tinn is back and so is Peter Beardsley. Monaco will face a different Newcastle and if they sit back it could be costly for them."

Patrick Blondeau, a member of the Monaco defence who have kept three successive clean sheets, is aware that Asprilla scored twice against another French side, Metz, in the previous round. "He is fantastic and will be an extra danger," he said. "Let's be calm and avoid going out to try to overrun them."

Dalglish, who described Jean Tigana's classy team as "easily the best side in France" does not expect them to change their counter-attacking style. However, Newcastle may benefit from what he calls the apprehensive home team syndrome. "Although I don't think they will change the way they play we've

got to hope they're a bit uncertain about what they're going to do," he said.

The Newcastle manager particularly hopes that the Brazilian Sony Anderson and the pacey teenager Thierry Henry lose their way, while Tigana is wary of a Newcastle's natural resilience.

"While we know we have the potential to score at any moment I fear the British mental strength," said Tigana, perhaps forgetting the many different passports on view when Newcastle's 18-strong party left Tyneside yesterday.

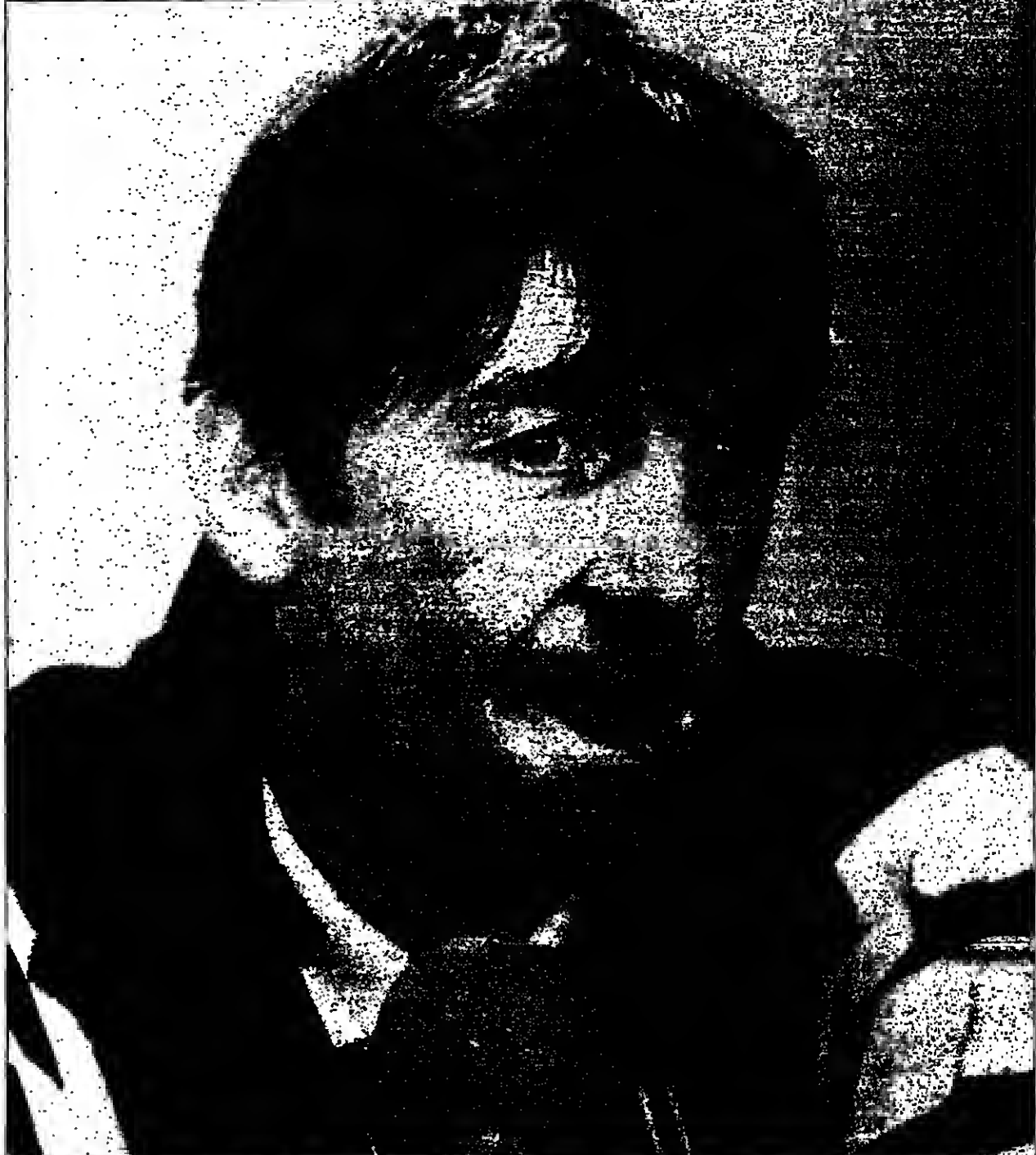
Monaco expected to make only one change from the first leg, with Emmanuel Petit returning at the expense of the Scot John Collins, who is likely to start on the bench. The keeper Fabien Barthez may play in a protective mask after fracturing a cheekbone in a collision with Darren Pescock in the first game.

Asprilla will be sent out despite twisting his ankle in Saturday's 4-0 home win against Coventry City, but Ferdinand's hamstring strain gives him little chance of playing.

Dalglish has to decide whether to play Asprilla on his own up front - as Keegan did in the away leg against Metz - or pair him with Beardsley. If he opts for a five-man midfield it will include Beardsley, or for that matter, David Ginola?

The Frenchman played against Coventry, ahead of Gillespie, but that was his first league start under Dalglish and it will be the final humiliation if he were to be left out tonight.

Internazionale are also looking into the cup to salvage a shaky season and their coach, Roy Hodgson, will have his strongest line-up for the return leg at home to Anderlecht. Hodgson, who leaves for Blackburn



Game plan: Kenny Dalglish outlines the size of Newcastle's task in Monaco yesterday

Photograph: Allsport

English clubs' route to Europe

CHAMPIONS' LEAGUE
(Two or three): First two in the Premiership and Manchester United if they win this season's Champions' League. If United qualify on both counts, the third-placed team does not qualify as well.

CUP-WINNERS' CUP
(One or two): FA Cup winners plus Liverpool if they win this season's European Cup Winners' Cup and finish outside the top two in the Premiership (Champions' League takes precedence).

UEFA CUP
(Four or five): Third, fourth and fifth-placed finishers (or lower-placed if those clubs qualify for Europe by other means), the Coca-Cola Cup winners, and Newcastle if they win this season's Uefa Cup and finish outside the top two in the Premiership. This includes a place awarded for England's top league, the 1995/96 FA Premier League. This is the last year the Coca-Cola Cup winners will qualify for Europe. In future, the relevant Uefa Cup place will revert to a high-finishing Premiership side.

It is possible - but very unlikely - for the 10th-placed team to qualify for Europe. This scenario requires Manchester United, Liverpool and Newcastle to each win their European competition while also finishing outside the Premiership's top two; Chelsea or Wimbledon to win the FA Cup and finish in the top eight; Leicester to win the Coca-Cola Cup and finish in the top nine.

This summer, has the Chilean striker Ivan Zamorano. France's Youri Djorkaeff, the Swiss midfielder Ciriaco Sforza, Argentine Javier Zanetti and England's Paul Ince all fit for the tie, which stands at 1-1. "We must forget the most recent troubles and concentrate on Anderlecht. This game is very important - a decisive match," Hodgson said.

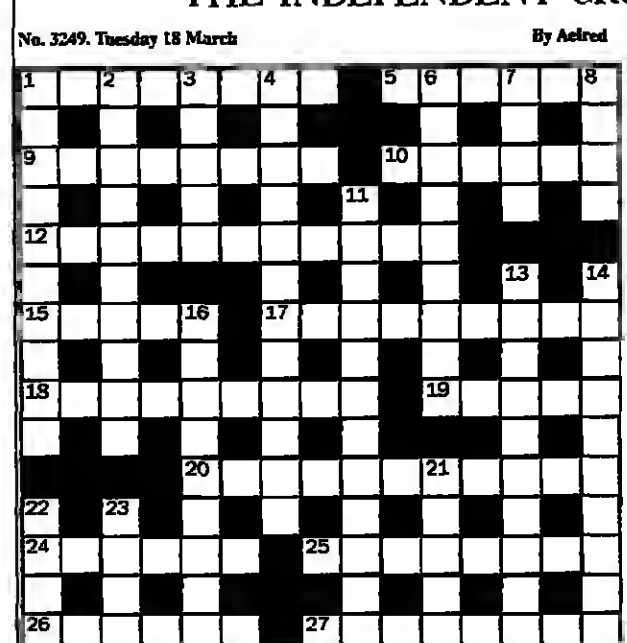
The Anderlecht coach, Johan Boskamp, spent the weekend in a hospital receiving treatment for kidney stones, but had to leave early to catch the plane to Milan. "I should have stayed because the stone is still there," he said.

Valencia, who trail Germany's Schalke 04 2-0, are relying on famous Spanish fiesta to get through.

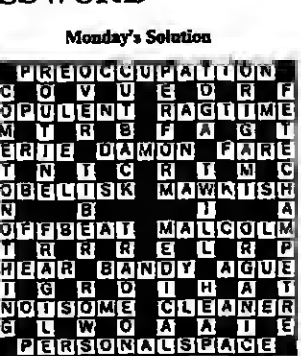
A crowd of 50,000 is expected at Mestalla stadium for a game that takes place in the middle of the city's Fallas festival famous for its nightly fireworks displays and the torching of gigantic effigies - often of local politicians.

"I hope to see the Mestalla stadium afire for such a magical night for Valencia," their coach, Jorge Valdano, said.

THE INDEPENDENT CROSSWORD



- ACROSS
- Could be daily par for our other crossword? (8)
 - Put on same level as entering French summer (6)
 - See heretic at church? One would be at this with church? (8)
 - Had private meal (6)
 - Artist's pen is not working for Amazon's features? (11)
 - Appropriate from bureau surplus (5)
 - Destroy least sign of life round polluted river mostly (9)
 - Apt repair made with one such? (5,4)
 - Engage in match at a higher level (3,2)
 - City bonuses distributed round Yorkshire river (6,5)
 - Safeguard running water in filthy place (6)
 - Those with orders to get a home like this (8)
 - Come back to have another go? (6)
 - Misshape has wrong stress (8)
 - Active person gets report of least good kind of sausage (10)
 - Special detail (10)
 - Hostility to fellow by day - small fellow? (5)
 - Best performer - before the days of hi-fi? (6,6)
 - Silent rise, no thanks to being inactive (9)



- DOWN
- Spots misuse of cane (4)
 - Discover there's been initial loss of merit (4)
 - Policy of non-involvement could mean militia's soon disbanded (12)
 - Spoke highly, and much, of fancies (4,6)
 - Petty clerks restrict power given to court officials (3-7)
 - Presidents computer unit's right to support elder (9)
 - Embarrass a party (5)
 - Sailor keeps Sabbath, being an autocratic type (4)
 - Run in cricket where youthfully annoys you? (4)

Jockeys arrested for Hong Kong race-fixing

Racing

STEPHEN VINES reports from Hong Kong

Hong Kong's all-powerful Independent Commission Against Corruption has launched the colony's biggest ever crackdown on race-fixing and illegal gambling. In the last two days 37 arrests have been made of jockeys, trainers, Jockey Club officials and illegal bookmakers.

Racing is extremely big business here. Last year the Hong Kong Jockey Club, the sole legal outlet for gambling in the colony, took in bets totalling HK\$80.6bn (£6.5bn), this is equivalent to almost £1m for every person in the colony.

The superb racing facilities and the extremely generous payments made to racing professionals has made the colony a favoured destination for visits by most of the world's leading jockeys and trainers.

Leading British-based jockeys, such as Pat Eddery, Walter Swinburn and Frankie Dettori have made regular appearances in the colony, alongside the Irish rider Michael Kinane, Eric Saint-Martin and Eric Legris from France and the South African Basil Marous and Pierre Strydom. Foreign jockeys and trainers are among those questioned by the ICAC, although it is understood that one are among those arrested. Allegations of race-fixing and

illegal gambling are commonplace in the colony but the Jockey Club has consistently denied that there is any serious problem. These denials will be hard to sustain in the face of this crackdown. The club says that it is fully co-operating with the ICAC investigation.

Last October the club disciplined two jockeys for "stopping their horses running on their merits" and said that its investigation into the affair was continuing.

The arrests are believed to have included some of the leading names in Hong Kong horse racing. The colony's law prevents disclosure of names of those arrested on allegations of corruption until they are charged.

The swoop began while racing was underway on Sunday evening, with the jockey's room at the lavish Sha Tin racecourse being cordoned off. Trainers were escorted from the track while others were picked up in their homes. Further raids on suspected illegal betting premises were made yesterday as more people were picked up for questioning.

The ICAC will not comment on the nature of the allegations, however it is believed that offences include outright race-fixing, with jockeys being bribed for getting their horses to under perform, to providing illicit tips to illegal bookmakers. The last major racing scandal was in 1986 when the authorities

broke open the so-called Shanghai Syndicate which controlled up to 100 horses as well as a number of trainers and jockeys. The syndicate's boss, the textile tycoon Yang Yuan-long, was fined \$40,000 and given a two-year suspended jail sentence on the grounds that he was suffering from terminal cancer. Mr Yang is still alive and well.

Stakes at Hong Kong's two racetracks are traditionally very high, major events draw in bets totalling tens of millions of pounds for a single race. When the Shanghai Syndicate was busted it was revealed that more than £1.5m was spent fixing single races. As more than a decade has elapsed it is likely that the sums involved today are far higher.

The Hong Kong Jockey Club, which has recently relinquished the word "royal" from its name, has been a bastion of the colony's establishment since horse racing began there in 1841, the year in which the Union flag was raised on Hong Kong soil. Donations from the Jockey Club provide the biggest non-governmental source of funds for educational institutions, medical facilities and welfare organisations.

The club's stewards have always been drawn from among the ranks of Hong Kong's most influential people. The only difference these days is that they tend to be Chinese rather than of British or Australian origin.

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